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The COMMERCIAL & FINANCIAL CHRONICLE

(Reg. U. S. Pat. Office)

Volume 155 Number 4064 New York, N. Y., Thursday, April 16, 1942 Price 60 Cents a Copy

Our Reporter On "Governments"

The certificate of indebtedness issue went over—went over with a bang, in fact. . . . That was to be expected and the activities of investment bankers in publicizing the offering made a sure thing even surer. . . . But the sale of $1,500,000,000 securities due six months from now means little. . . . It doesn't do more than dent the financing problem of the Treasury. . . . And as far as permanent war-time borrowing is concerned, it just re-emphasizes the need for long-term operations. . . .

The certificate of indebtedness offering received more attention than any other recent flotation by the Government. . . . As a result, the vital angles of the Treasury's borrowing task have been obscured temporarily. . . . But when you're discussing the over-subscription figures and the wide distribution of the certificates, remember these points:

(1) The certificates will mature in six months and Secretary Morgenthau will be compelled then to pay off the issue or refund it. . . .

(2) Between now and the end of the fiscal year—June 30—the Treasury must raise, through borrowing, around $5,900,000,000. . . . That's exclusive of the $1,500,000,000 just raised, of course. . . . In blunt terms, then, the financing job ahead for just the next two and one-half months is of considerably greater significance than the success of another Government offering (especially, a short-term one). . . .

This isn't meant as a criticism of the certificates of indebtedness issue, for the banks needed a short-term security and the Treasury, by selling one, is helping to round out the Government list and maintain the liquidity of the money market. . . . But it is meant as a warning to give the certificate issue only the attention it deserves—which is minor. . . .

New Types of Issues

For months, Secretary Morgenthau's assistants have been studying new methods of war-time financing. . . . For months, we've received "feelers" from various sources on the advisability of adopting the tap method of financing; the possibility of dividing the market into "special groups," each destined to receive a special type of Government bond; the probable reception to a really long-term bond designed particularly for insurance company portfolios. . . .

Now that the certificate offering is out of the way, it seems logical that the Treasury will try one of the new methods under consideration for so long a period. . . .

The Federal Reserve Board of Governors is reported strongly in favor of trying the tap method of financing late this spring or early this summer. . . . One story is that the Treasury will issue two bonds—one carrying a long maturity (say, in the '70s) and the other carrying a relatively short maturity (say, in the '50s). . . .

Both issues would be available for sale for several weeks and maybe, for a number of months. . . . The securities would be non-transferable, with the short-term bond obviously designed for bank portfolios and the longer-terms obviously designed for insurance companies and similar institutions. . . .

For a clue to what may be offered here, you may find it helpful to study the way England has been handling the tap method of financing during the last two years. . . . Report is the Federal Re-

(Continued on page 1532)

OUR REPORTER'S REPORT

With the municipal bond market having displayed strong recuperative powers in recent weeks, that section of the investment market has held the center of the stage this week.

In the forefront of such public offerings have been those for the account of public housing authorities, the latter spurred out no doubt by the recently rendered opinion of the Treasury Department that such issues marketed before enactment of the new Revenue Act will be exempt from taxation.

Housing authority loans accounted for the bulk, by far, of the $85,260,000 aggregate of such issues which were placed for bids, contributing $74,800,000 of the total.

The largest of the public housing undertakings, involving $22,210,000 of notes of the Boston public housing agency, are up for bids today, with indications that the issue will attract considerable competition from banking interests.

The bulk of the housing loans were marketed yesterday in the amount of $54,600,000 for a grouping of several cities. The major financing in this group was in the amount of $11,200,000 for the Washington, D. C., Authority.

Because of the nature of this paper, however, most of it being of short maturity, the general investment public has not had much opportunity to turn to it as an outlet for investment funds.

Housing loans have been placed largely with banking institutions, which have found them readily suitable for inclusion in investment portfolios.

American Tobacco On Way

One of the largest single corporate financing undertakings

(Continued on page 1529)

Greatest Responsibility After Winning War Is Preserving System Of Free Enterprise: Schram

Next to winning the war, and winning the peace "the greatest responsibility which we have is to preserve our American way of life which revolves around the system of initiative and enterprise," said Emil Schram, President of the New York Stock Exchange, in an address before the Nashville Chamber of Commerce, at Nashville, Tenn. on April 13. "The test of that system," Mr. Schram added "is the creation of more and more wealth, and not the dissipation or confiscation of existing wealth. This is the philosophy which we must defend. This is the fundamental premise of the democracy we are struggling to uphold."

Earlier in his remarks Mr. Schram declared that "our private enterprise system is demonstrating its unlimited capacity and utility in this period of the nation's greatest need. It is our willing and eager servant, applying its energies and resources swiftly and sweepingly to the winning of the war. In the fullest sense, it is at the disposal of the country in this emergency. This is as it should be. This is what is expected of it." "When the emergency is over," Mr. Schram went on to say, "the American people will, I am convinced, restore that measure of freedom and independence which this system requires. This will mean release from unnecessary restraints and obstructions. It will mean a renascence of freedom. I say to you in all earnestness that this is the only method by which we can meet the cost of this war, solve our post-war economic problems, resume our progress as a nation and thus reopen to our people the opportunities which are their birthright." In part Mr. Schram continued:

> In an address in New York, some weeks ago, I predicted that American industry and business would, in this year, play their part so brilliantly, in productive efficiency, that the American people would see to it that our system of private initiative and enterprise is preserved, no matter how cunning the forces and influences that may seek to undermine it. This conviction is strengthened as I see our industrial organization performing prodigious feats of production with a minimum of confusion and of waste. As a result, there is developing in America a new respect for the businessman and the industrialist—for all those who know how to produce the things which we so urgently need to win the war. There is a growing awareness of the indispensable usefulness of an efficient industrial machine.
>
> It is by making full and intelligent use of the equipment which has been created under our form of productive democracy that we shall carry the war to a triumphant conclusion. But I am equally confident that this system, permitted to function freely, will be found entirely adequate in the post-war crisis. The essential fact to be kept in mind is that the productive and organizing capacity which are being demonstrated in this great war effort can be our only reliance after the fight has been won. . . .
>
> The simple truth is that our industrial and agricultural capacity has never been put to any real test, such as now appears inevitable. Neither has

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The Amazing Achievement of the Chicago City Railways and the Chicago Railways Companies

(Controlled by the Chicago Surface Lines System)

By WALTER DYCKMAN

The idea that bonds in receivership are to be scorned has been directly contradicted by the amazing performance of the Chicago City Railways and the Chicago Railways controlled by the Chicago Surface Lines System.

This company has been in receivership for the past fifteen years and during all this time it has not only paid the interest on its First Mortgage 5% bonds of 1927 each year in full but has also paid $22,000,000 out of earnings toward the reduction of its funded debt. The company also has $36,600,000 cash on hand.

This is truly an amazing achievement when one considers the business depression that has existed during the greater part of the period.

The Chicago Surface Lines System is the largest Street Railway system in the world. During 1941 689,282,697 revenue passengers were carried. All during receivership the seven cent fare, which was established in 1923, has been in effect. It has now been announced, however, that the Illinois Commerce Commission has granted permission to increase the fare to eight cents on April 20th. This will show an increase of approximately $6,892,626 in passenger revenue. The Commission in its order also placed a valuation on the surface line properties of $128,000,000 on the basis of incomplete evidence.

After fifteen years of almost continual negotiations it now seems likely that an early reorganization of the Chicago Traction lines is well on the road to completion.

There are three classes of bonds of this system upon which the principal has been reduced:

Chicago City Railway First Mortgage 5% 1927 ($850) 15%.

Chicago Railway First Mortgage 5% 1927 ($750) 25%.

Calumet and South Chicago Railway First Mortgage 5% 1927 ($650) 35%.

The Chicago City Railway First Mortgage 5s of 1927 and the Chicago Railways First Mortgage 5s, 1927 are well secured first mortgages and both have the same interest dates, the only exception being that the former has had 15% paid on the principal and the latter 25%.

The $850 bonds, therefore, seem to have an advantage over the $750 bonds from a speculative point of view for the reason that if the reorganization and unification plan is delayed there may be a possibility that the principal on the $850 bonds will be still further reduced by payment of $100 per bond which would make both bonds $750 bonds.

The Chicago City Railways 5s of 1927 are unlisted and have a more active market over-the-counter than the Chicago Railways 5s of 1927 which are listed on the New York Stock Exchange. The Certificates of Deposit of the latter are listed on the New York Curb Exchange.

Both bonds are now selling in the lower fifties, yet in 1936 and 1937 their highs were around 85.

With the outlook for 1942 possibly being the best for the company in many years, due to the

(Continued on page 1536)

Name Watson IBA Gov. For Michigan Group

DETROIT, MICH.—Richard T. Purdy, Chairman of the Michigan Group of the Investment Bankers Association of America, announces the election of Philip K. Watson, Vice-President and Director of Campbell, McCarty & Co., as the Michigan member of the Board of Governors of the IBA for a three-year term starting at the close of the 1942 convention. Mr. Watson will succeed John W. Watling of Watling, Lerchen & Co., the present Michigan Governor, whose three-year term expires at the close of the 1942 convention. The announcement also states:

> Mr. Watson has been in the investment banking business in Detroit for nearly 20 years, serving as Vice-President of the Bank of Detroit and of the Guardian Detroit Co. He has been a member of the firm of Campbell, McCarty & Co. for the past 10 years. He has served on various committees of the Michigan Group of the IBA and at the present time is a member of the Executive Committee.

◆

Fla. Finan. Statements

Financial statements covering the cities of St. Petersburg and West Palm Beach, Florida have been prepared for distribution by Allen & Company, 30 Broad Street, New York City. Copies of these statements will be sent by Allen & Company upon request.

◆

Barysh In Midwest

Max Barysh, manager of the trading department for Ernst & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, is taking a three weeks' business trip through the middle west.

Henry Arnold Now With Clair S. Hall & Co.

CINCINNATI, OHIO — Clair S. Hall & Co., Union Trust Building, announce that Henry J. Arnold is now associated with them in charge of their municipal and corporate trading department. Mr. Arnold, who is well known in trading circles, was formerly manager of the municipal bond and unlisted trading department of W. L. Lyons & Co. Prior thereto he was a partner in W. P. Clancey & Co. and was in the bond department of the Bank of Commerce & Trust Company of Cincinnati.

Henry J. Arnold

Mr. Arnold is active in the National Security Traders Association having been President of that organization from 1935-1936.

◆

Chicago Bond Traders Appoint Directors

CHICAGO, ILL. — Henri P. Pulver, President of the Bond Traders Club of Chicago, announces that the officers of the club have selected the following directors for the ensuing year:

Carl X. Blomberg, E. W. Thomas & Co.; Ralph G. Randall, Mason, Moran & Co.; Bradford W. Shaw, Blair, Bonner & Co.; Thompson M. Wakeley, A. C. Allyn & Co. Inc.

The officers and directors of the club have appointed the following Committee Chairmen:

Program: Richard W. Simmons, Lee Higginson Corp.; Publicity: Fred E. Ungeher, Rogers & Tracy, Inc.; Finance: John D. McHugh, Ames, Emerich & Co. Inc.; Membership: F. Girard Schoettler, Wayne Hummer & Co.

The Board of Directors has submitted to the membership for a vote the following addition to the constitution and by-laws:

"The Board of Directors, whenever the United States of America is at war, may waive all or any part of the dues of any member while he is engaged continuously in the Military Service of the United States."

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Pyne-Kendall To Merge With Reynolds-Fish Co.

Arrangements are being completed for a merger of Reynolds, Fish & Co. with Pyne, Kendall & Hollister, to become effective May 1. Both firms are members of the New York Stock Exchange.

The business of the enlarged firm will continue under the name of Pyne, Kendall & Hollister-Reynolds, Fish & Co. At present the main office of Pyne, Kendall & Hollister is located at 60 Wall Street, New York City, and that of Reynolds, Fish & Co. at 120 Broadway. Offices of the merged firm will be located at 120 Broadway, it is understood. Arrangements as to personnel in connection with the merger will be announced later.

Don't Turn On Water

A dealer sends us a picture from "Business Week" of April 4, showing the new Philadelphia offices of the SEC. They are located in the recently drained swimming pool of the Penn Athletic Club. He says he is sure all the investment fraternity wishes them the best of luck in their new home and only hopes that the vibrations set off by the mental giants constituting their personnel don't start the water flowing again.

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M. J. Hickey On Board Of Luscombe Airplane

CHICAGO, ILL.—Matthew J. Hickey, Jr., President of Hickey & Co., Inc., 135 South La Salle St., investment dealers, has accepted the position of Chairman of the Board of the Luscombe Airplane Corporation of West Trenton, N. J., with the approval of Leo T. Crowley, Alien Property Custodian for the Government of the United States.

Matthew J. Hickey, Jr.

The Luscombe Airplane Corporation has been completely reorganized, with the ouster of Leopold H. P. Klotz, a native of Lichtenstein, Nazi-dominated principality, as an aftermath of an investigation begun last February by the Treasury Department. The Luscombe Corporation has now opened negotiations with the Navy to manufacture airplanes and parts for the U. S. Navy and the plant will be enlarged and its facilities converted for this work.

Mr. Hickey announced that he had accepted the position in furtherance of the war effort in behalf of the Government and will serve without salary. He will continue his status in the investment business as before. Hickey & Company will continue to function in the future as it has in the past, with Mr. Hickey directing the business as heretofore.

Mr. Hickey is also Director of the Chicago Rivet & Machine Co. and Director and Trustee of Allerton Hotel.

Jeanes, Haines With Graham, Parsons & Co.

PHILADELPHIA, PA.—Graham, Parsons & Co., 1421 Chestnut Street, members of the New York Stock Exchange, announce that Henry S. Jeanes, Jr. has been appointed manager of their Philadelphia office and that Harold A. Haines has also become associated with them. Both men were formerly with G. M.-P. Murphy & Co., Mr. Jeanes for eight years as manager of that firm's Philadelphia office, Mr. Haines as sales manager.

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THE STOCK MARKET

Historical statistics of stock market price swings show that the declining price trend of the past few years constitutes the longest bear market in over 50 years. While the great bear market of 1929-32 was only some 33 months long, the downtrend since the 1938 peak has been in progress for over 41 months and if one assumes that the downtrend dates from the 1937 peak, the bear market has been in progress for more than five full years.

That this decline has been caused in very large measure by psychological influences is clearly evident from the fact that corporation earnings and dividend payments have been in a steady uptrend ever since 1938 or for virtually the entire period of the bear market. The divergent trends as between stock prices and corporation earnings is shown in the schedule below:

Year—	*Stock Prices	*Corporation Earnings
1937 (high)	194.40	11.49
1938 (high)	158.41	6.01
1939 (high)	155.92	9.11
1940 (high)	152.80	10.92
1941	133.59	11.41
1942 (current)	100.00	

*Dow-Jones 30 industrial stocks.

As may be noted, while the earnings level has risen steadily for four years to that of the 1937 high, prices have declined to the lowest level reached during the entire period which was at the bottom of the 1937-38 decline. In short, latest full year earnings are at the 1937 bull market peak level while current prices are at the 1938 bear market low which, incidentally, is the lowest level for the past seven years.

Both the extended duration of the stock market decline and the relationship of the current low price level to the rate of corporation earnings are strongly suggestive of an oversold market. And at the same time, study of these figures makes it obvious that there is ample room for a market rise of substantial proportions, even assuming some decline in the rate of earnings this year. On the other hand the threat of adverse war news over the months ahead is a near term obstacle in the way of rising prices.

Under these circumstances, the investor who is considering the purchase of common stocks as a long term investment has three choices with respect to the timing of his investment—(1) He can buy now on the grounds that the current low price level, as the result of the extended decline of the last several years, represents a better than average buying opportunity; (2) he can wait until the war outlook seems clearer, which offers the possibility of buying at a lower level but which also involves the risk of buying at a higher level; (3) he can stagger his purchases over a period of two or three months, investing equal dollar amounts every week or two and thereby making sure of a good *average price* on his total investment.

Of these three choices, the third is perhaps the safest and soundest for the average investor as it avoids the difficulties and risks of trying to take advantage of short term market fluctuations and it gives complete assurance of a fair *average price* at a time when the general level of stock prices is abnormally low.—*W. F. Shelley, Massachusetts Distributors, Inc.*

Joseph Miller Joins Staff Of Sutro & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Joseph J. Miller and Harold V. Blickensderfer have become associated with Sutro & Co., Van Nuys Building. Mr. Miller was formerly in business for himself in Los Angeles, and prior thereto was with McCabe, Fewel & Co. and Smith, Camp & Riley, Ltd. Mr. Blickensderfer was with M. H. Lewis & Co. and in the past was municipal manager for the Metropolitan Securities Co. of Pasadena.

Firm To Be Doolittle, Roth & Schoellkopf

BUFFALO, N. Y.—Dudley M. Irwin, Jr., is today being admitted to general partnership and William Schoellkopf to limited partnership in the firm of Glenny, Roth & Doolittle, Liberty Bank Building, members of the New York Stock Exchange, and the firm name is being changed to Doolittle, Roth & Schoellkopf. Messrs. Irwin and Schoellkopf were formerly partners in the dissolved firm of Schoellkopf, Hilbert & Co.

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Effective upon the dissolution of Schoellkopf, Hilbert & Co., today, the new New York Stock Exchange firm of Hilbert & Co. will be formed with offices at 120 Broadway. Partners of the new firm will be Webb Hilbert, William T. Emmet, the Exchange member, John P. Cronin, general partners, and R. T. von Palmenberg, limited partner. The general partners were all formerly partners in Schoellkopf, Hilbert & Co. In the past Mr. von Palmenberg was associated with Mr. Hilbert as a partner in Hilbert, Condon & Bassett.

We are pleased to announce that
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Geddes To Reacquire Stock Exchange Seat

Donald G. Geddes, a partner of the New York Stock Exchange firm of Clark, Dodge & Co., since 1899, has arranged to re-acquire a Stock Exchange membership, it was disclosed on April 9. He would purchase the membership of Daniel R. Collins, and his membership application will be acted upon on April 23. Mr. Geddes was a member of the Exchange from 1899 to 1922. The announcement of the Exchange says:

> He was a member of the Committee of Five which administered the closing and subsequent reopening of the Stock Exchange in 1914, at the outset of World War 1. Other members of that Committee were Ernest Groesbeck, H. G. S. Noble, H. K. Pomroy and S. F. Streit.

Mr. Geddes served as an advisor to the Exchange's Board of Governors from September, 1934, to May, 1938. He began his business career with Chase & Higginson, members of the New York Stock Exchange. That firm retired from business two years later and Mr. Geddes entered the employ of Clark, Dodge & Co., in 1890, becoming a partner in 1899.

Mr. Geddes' directorates include the Western Union Telegraph Co., and Manning, Maxwell & Moore, Inc. He is President and a Director of Chartered Investors, Inc.

Stock Tape To Print Bids, Offers On Bonds

The New York Stock Exchange announced on April 10 that beginning April 13, the stock tape would, as conditions permit, carry bids and offers in a selected list of active bonds. "The method of printing these quotations," says the Exchange, "will be similar to that employed in printing stock quotations except that in order to make the bond quotations readily distinguishable from stock quotations the word "BOND" will be printed in conjunction with the symbol." The Exchange added:

> As an interval will occur between the dispatch of these quotations from the Floor and their appearance on the tape, members should bear in mind that the quotations on the Floor may change during such interval.

UTILITY PREFERREDS

JACKSON & CURTIS

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Archer Hamilton Roop** has become connected with **A. C. Allyn and Company, Inc.,** 100 West Monroe St. Mr. Roop was formerly with Paul H. Davis & Co. for many years.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**John Chiaro,** formerly with Hickey & Co., has joined the staff of **Traction Securities, Inc.,** 105 South La Salle St.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Leonard Otto Duhn,** formerly with the First Cleveland Corporation, has mecome affiliated with **Borton & Borton, Inc.,** Union Commerce Building.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Perry T. Blaine** has become associated with **P. E. Kline, Inc.,** Union Commerce Building. Mr. Blaine was formerly with Jackson & Curtis and Johnson, Kase & Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—**Charles R. Brand,** formerly with American Industries Corp., is now with **Paine, Webber & Co.,** Penobscot Building.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—**Rex May,** formerly with Merrill Lynch, Pierce, Fenner & Beane and Banks, Huntley & Co., has been added to the staff of **Bankamerica Company,** Security Building.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—**Clayton B. Weed** has become associated with **Franklin Wulff & Co., Inc.,** 115 Pine Ave. Mr. Weed was previously with Merrill Lynch, Pierce, Fenner & Beane, and in the past was local manager for M. H. Lewis & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Donald C. Poussette** has joined the staff of **Schwabacher & Co.,** 515 West Sixth St. Mr. Poussette was previously with Amerex Corp.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**William Earle Hamilton,** formerly with Pacific Company of California, has become connected with **Wyeth & Co.,** 647 South Spring St.

NEW YORK, N. Y.—**Wm. Vander Clock,** formerly with Harriman Ripley & Co., Inc., is now associated with **Van Alstyne, Noel & Co.,** 52 Broadway, in their sales department.

Avers Exchange Is Loser By Refusing To Agree To Commission Splitting

April 13, 1942.

Editor, "Commercial & Financial Chronicle,"
New York, N. Y.

Dear Sir:

You have been publishing letters written by over-the-counter dealers suggesting how New York Stock Exchange members can benefit in various ways, one in particular, a split-commission arrangement.

I don't see why any unlisted dealer should be so kind as to help Exchange members. What do Exchange members do for the unlisted dealer? Answer—nothing. What do they do to hamper the unlisted dealer? Answer—plenty.

Being a trader for an unlisted dealer I would not favor a split commission for the simple reason that when my house has a listed order to execute, in 75% of the cases I can find a buyer or seller among other unlisted dealers at the last sale price; or if there were no sales on that day I usually find a trading opportunity at or between the bid and asked price, thereby getting all the commission involved.

My experience with trading listed bonds with other unlisted houses is even more successful than that with stocks. My Government bond executions are 100% over-the-counter.

The Stock Exchange is a private club so why butt in with their affairs, but if they butt in with your affairs then be ready to fight. I believe the unlisted dealer is now better organized than in the past and is better able to continue in business.

Yours very truly,
A PITTSBURGH DEALER.

Huff On Trip

Robert H. Huff, President of Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, has been visiting in New York City and is leaving today for St. Louis where he will remain for one week. He will return to his desk in Los Angeles on April 26 after leaving St. Louis.

MUNICIPAL
RAILROAD
PUBLIC UTILITY
AND INDUSTRIAL
SECURITIES

THOMPSON ROSS
SECURITIES CO.
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CHICAGO

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 6, 1942.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of the Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 14, 1942, at 10 o'clock A. M., to elect three Directors for the term of three years, and to transact such other business, not known or determined at this time, as properly may come before the meeting.

Stockholders of record at the close of business April 24, 1942, will be entitled to vote at such meeting.

L. W. COX, Secretary.

Riter Co. To Absorb Scholle Brothers

The investment business of Scholle Brothers, 40 Wall Street, New York City, members of the New York Stock Exchange, will be taken over by Riter & Co., 48 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, as of May 1. Morton H. Fry, senior partner of Scholle Brothers will become a partner in Riter & Co., which will move to the present offices of Scholle Brothers.

Frank Franey With Newhard, Cook & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — Frank V. Franey and A. A. Michenfelder have become associated with Newhard, Cook & Co., Fourth & Olive Street, members of the New York and St. Louis Stock Exchanges. Mr. Franey was formerly assistant manager of the bond department of Francis, Bro. & Co., with which Mr. Michenfelder was also connected.

Horace I. Poole To Join Eisele & King

Horace I. Poole has become associated with Eisele & King, members of the New York Stock Exchange, in their New York office at 39 Broadway. Mr. Poole has conducted his own investment business in New York City since 1936, Horace I. Poole & Co., Inc.

James L. Sullivan Is With Dempsey-Tegeler

(Special to The Financial Chronicle)

ST. LOUIS, MO.—James L. Sullivan has become associated with Dempsey-Tegeler & Company, 407 North Eighth Street, members of the New York Stock Exchange. Mr. Sullivan was formerly a partner in Francis, Bro. & Co.

DIVIDEND NOTICES

HOMESTAKE MINING COMPANY
Dividend No. 852

The Board of Directors has declared dividend No. 852 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable April 25, 1942 to stockholders of record 3:00 o'clock P. M. April 20, 1942.

Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

R. A. CLARK, Secretary.
April 7, 1942.

McGraw Electric Company

Dividend Notice

The directors of McGraw Electric Company have declared a quarterly dividend of 50c per share, payable May 1, 1942, to holders of common stock, of $1 par value per share, of record April 17th.

Judson Large,
Secretary-Treasurer.

NATIONAL DISTILLERS
PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1942, to stockholders of record on April 15, 1942. The transfer books will not close.

THOS. A. CLARK
March 26, 1942 TREASURER

Borden's
COMMON DIVIDEND
No. 129

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1942, to stockholders of record at the close of business May 15, 1942. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

Facts & Figures

Hoit, Rose & Troster, 74 Trinity Place, New York City, specialists in over-the-counter securities, have just issued a tabulation of the first quarter 1942 bank earnings for New York City banks. Copies of this interesting tabulation, which forms the first statistical supplement to the firm's "Facts & Figures," may be had from Hoit, Rose & Troster upon request.

City of Cordoba (Argentine Republic)

IMPORTANT NOTICE—***To the holders of the issues of the Municipality of Cordoba (Argentine)*** described in the offer of the undersigned for the purchase thereof as set forth in its notice dated March 4, 1942, in this publication:

EXTENSION OF OFFER

The undersigned has extended to **APRIL 30, 1942,** the date of expiration of its aforesaid offer. Copies of the offer, together with forms of Letter of Transmittal for acceptance thereof, may be obtained from the undersigned.

As of the close of business on April 15, 1942, acceptances of the offer had been received from the holders of $3,714,000 aggregate principal amount of the above issues.

F. J. YOUNG & CO. Inc.
52 Wall Street, New York
Telephone HAnover 2-3840
Albany Philadelphia

Dated: New York, N. Y., April 16, 1942.

Tomorrow's Markets Walter Whyte Says—

Tuesday's reaction carried stocks into buying zone. Market in critical area again. Support evident in issues must hold. Coming developments in war picture vital to market trend.

By WALTER WHYTE

Seven days ago the market showed signs of a top, temporary perhaps, but a top just the same. It was on the subsequent setback from this top that I thought certain stocks would be attractive enough to take positions in.

* * *

Since this was written, the market did react and is now not only back to approximately the lows of the current swing, but in some cases below it. In doing this, it brought all the stocks mentioned last week into the buying range. Only one, Chrysler, broke through its critical level. The others, while flirting with their low points, are up to this writing still above them.

* * *

For example, Atchison made a low of 34, which is also its stop, but so far it has not broken it. International Harvester, recommended at 43, with a stop at 41½, got down to 42¼. Its stop is still 41½. Union Carbide also sold down to the support area, 58½-59½, but here, too, the 57 price stands out like a sore thumb as figure not to be broken. Western Union reacted to the base and even hit the critical figure, 24, a few times. But so far it too has kept above it.

* * *

Let me hasten to add, that while I still like these stocks (I would not have recommended them otherwise), I do not expect any immediate reversal of trend. On the contrary, the best I can look forward to is another sinking back into a period of lethargy, while these stocks rebuild their technical strength. It is possible that an increased short position may hasten a rally, but if so, it will be of short duration only. On the downside, so long as any of these manage to keep their heads above their stop prices, they should be held.

* * *

These stops were calculated on basis of technical support. If they don't hold, neither will the market. And if the market doesn't hold, you can look forward to another series of dreary market days.

* * *

Looking at the market from a technician's viewpoint, its behavior is nothing to cause undue worry. It rallied in the last two weeks to where it showed it could and declined from what to all intents and purposes was an obvious top. So far so good. Its technical action was normal.

* * *

Yet normality presupposes a basic picture which is equally normal. We know that it is not so. The ability of the market to forecast coming events is no longer present. No market, no matter how well controlled, can foresee the changing tides caused by war; particularly such a war as this is.

* * *

For example, Britain has just lost another battle, this time a political one. India has refused to cooperate on the basis Sir Stafford Cripps proposed. In the past every political defeat by Britain was shortly followed by a military defeat.

* * *

It is no secret that a giant Jap armada is now off the coast of Ceylon and India. And Winston Churchill himself has admitted in the House of Commons that no Allied force in the Bay of Bengal is available to meet the challenge. The conclusion would appear to be obvious that it is only a question of days when the fears of an invasion of India will be realized.

* * *

As if that wasn't enough, we see Vichy France laying the ground work for more active collaboration with Hitler. By itself this would not be so important, if it weren't for the disposition of the French fleet. Naturally, such actualities and the threats of possibilities are hardly ammunition for a bull market to feed on.

* * *

Foresight is a grand thing, yet who can foretell what the events of tomorrow will bring. Certain stocks look up; others look down, but in neither case is there enough volume to make any important difference. Yet what few yardsticks we still have cannot be discarded. One yardstick says that when a market reaches a predetermined level and hesitates, a reaction is indicated. Another yardstick says that when this reaction gets down to a certain point, and stocks begin to back and

(Continued on page 1532)

Guaranteed Railroad Stocks

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

One more investment group which had long been considered to represent the utmost conservatism in the railroad field has tottered under the impact of an unexpected court decision. On April 2 the United States Circuit Court of Appeals handed down a decision, reversing an earlier lower court decision, finding Delaware, Lackawanna & Western not liable for Federal income taxes on the rental income of various of its leased lines. Railroad men have long pointed with pride to the consistent record of this class of security in good times and bad (one statistical agency points to the continuity of dividends for a period of 45 years or more of some two-thirds of the well-known guaranteed stocks as contrasted with the record of mortgage bonds in the same period) and it now seems possible that the sanctity of dividends on even the strongest issues may be broken. It is ironical that this uncertainty should arise just as the credit and investment standing of the railroad industry as a whole is so strikingly on the mend. The question is by no means settled, as it will unquestionably be taken to the Supreme Court, but there is no denying that the recent decision strikes an ominous note.

The controversy arises over the fact that for the most part the leases now in effect were written before there was any thought of Federal corporate income taxes. Therefore, while the leases generally call for payment of all expenses and taxes in addition to sums necessary for interest and dividends on the lessor's securities, the instruments rarely specifically call for payment of income taxes as part of the rental. Many of the lessees have claimed that the income tax is not their liability but must be paid by the lessor out of the rental, or any other income, it receives. In some cases the lessees have refused to pay the taxes ("Lackawanna" was in this class) and in other cases the income taxes have been paid by the lessees under protest. In either event the ultimate liability for back income taxes will fall on the lessors if the Circuit Court is upheld in its "Lackawanna" decision.

One of the reasons for the general surprise at the Court's decision is that the leases involved in this particular litigation were considered among the strongest extant with respect to the tax protection afforded security holders. To the layman's mind the reasoning whereby this protection was swept aside appears, to say the least, labored. We would specifically cite the lease of the Syracuse, Binghamton & New York wherein it is provided in part, "And that the said party of the second part *(referring to Lackawanna) will, during the enjoyment of the demised property and estate under this lease, pay and discharge all taxes and assessments which are or may be imposed, levied or assessed on any of the property * * * or on the income or profits of the said business * * *." One could hardly be blamed for taking this as an assumption of liability for income taxes by the lessee. The Court finds, however, that this clause "on first impression may seem to come within the category of income taxes, but again, these taxes are not on the income of the business of the lessors who are not conducting the business, but on that of the lessee who runs the railroads."

It is reported that other railroads with leased line problems look on the "Lackawanna" litigation as a test case, and that even an endorsed guarantee of payment of dividends at a specified rate will not afford protection against tax curtailment of dividends. The burden of the taxes, when paid by the lessee, was in many instances becoming insuperable, particularly as there have been rulings imposing an additional tax on any tax allowance so made. To illustrate in round figures, railroad A leases the properties of railroad B for $500,000 annually. There might be an income tax of $150,000 on this rental income. If the lessee, railroad A, pays this tax it has been held that the $150,000 constitutes additional rental income and as such is also taxable. This procedure could be carried out to absurdity in a never-ending cycle.

Unless there is a reversal of the Circuit Court decision, there would appear to be no alternative other than wide-scale consolidation of leased lines with their lessees. Holders of the affected leased line stocks would have little choice but to accept negotiations looking to this end. Under the proposed new tax measure guaranteed common stocks would be faced with the possibility of a reduction of more than 50% in their annual dividends if the lessor must pay the income taxes. Where heavy preferred stock issues are outstanding the cut might be even more drastic and might conceivably necessitate complete suspension of common payments. Moreover, where back taxes are payable, it is likely that stock holders of all classes will be faced with loss of income until these are liquidated. It behooves all holders of guaranteed stocks carefully to examine the terms of their leases in the light of the recent Court decision, to determine how the reasoning behind the decision is apt to affect their future dividends. Also, when and if, this new development is to result in consolidations, negotiations will likely center largely around the earning power and strategic importance of individual properties.

---

*Our insert.

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(When Issued)

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Underlying Mortgage Bonds
VAN TUYL & ABBE
SIXTY WALL STREET
NEW YORK

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜, low—14¾, last—36¾.

Sutro Bros. Co. Partner

John I. Taeni will be admitted to partnership in Sutro Bros. & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, as of May 1.

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AMERICAN MADE MARKETS IN CANADIAN SECURITIES

Minnesota & Ontario Paper
5s, 1960 and Common

HART SMITH & CO.
52 WILLIAM STREET NEW YORK
Telephone HAnover 2-0980 Bell Teletype NY 1-395
New York Montreal Toronto

THE BOND SELECTOR

MINNESOTA & ONTARIO PAPER CO.

First Mortgage Income 5s, 1960

Bonds of New Company Well Backed By Working Capital and Amply Secured by Earnings

Traded over the counter and currently selling around 91½, Minnesota & Ontario Paper Company 5s, 1960, offer the investor a yield of 5.75% to maturity and a good chance of appreciation.

Minnesota & Ontario Paper Company was organized on March 1, 1941, to take over in reorganization the assets and properties of a corporation of the same name which went into receivership in 1931. The business of the company, including that of subsidiaries, consists of the manufacture of newsprint and related products, kraft and specialty papers, paper bags, sulphite pulp and Insulite (an insulating material). Lumber and other forest products are also marketed.

The company and its subsidiaries own hydro-electric and hydraulic power plants, paper and pulp mills, insulite mills, saw mills, planing mills, box, shook and crating factories, timber lands and all other facilities necessary for a completely integrated paper unit. Plants have an annual capacity of 256,000 tons of newsprint paper, 34,000 tons of kraft, 250,000,000 feet of insulating material and over 125,000,000 feet of finished and unfinished lumber. Power plants have a combined generating capacity of 105,000 horsepower.

Principal manufacturing and power units are located at International Falls, Minnesota, and Fort Frances and Kenora, Ontario. The plant at International Falls has an annual newsprint capacity of 78,000 tons, that at Fort Frances of 89,600 tons and that at Kenora of 89,900 tons. The company's own timber supply in Minnesota and Ontario embraces a forest area of approximately 50,000 square miles.

The presently outstanding First Mortgage and Collateral Income 5s, 1960, were issued as a result of the reorganization plan to holders of the old Series A, B, and C mortgage bonds and unsecured notes. Approximately 90% of these old bonds have been exchanged for the new. Under the reorganization plan, holders of the old mortgage bonds, all series, received $500 in new 5% bonds and 40 shares of new common stock. In addition cash payments in adjustment of interest were made in amounts of $7.50 on each $1,000 of old Series A bonds, and $5 on each $1,000 of old Series C bonds. Holders of the old 6% unsecured notes received 30 shares of new stock and $7.50 in cash. The old preferred and common stockholders received nothing in the reorganization.

Under the reorganization plan, $12,200,000 of the subject First Mortgage and Collateral Income 5s, 1960, were issued, and at the end of 1941—nine months later—the amount of bonds outstanding had been reduced to $9,757,000. Interest is payable only as earned but is fully cumulative up to a maximum of 5% annually; in other words, whether or not full 5% is earned and paid each year, the company is obligated for the full amount and any deficiency accumulates and is payable out of future earnings and any funds existing in the sinking fund. The full 5% is currently being earned, was paid in 1941 and will be payable on May 1, 1942.

The sinking fund requirements are substantial. The company is obligated to set aside 50% of consolidated net earnings before depreciation, depletion and obsolescence, after deducting $400,000 as a reserve for additions and replacements of physical property. Since the bonds were issued, $2,443,000 have been retired by the sinking fund.

The company's operating record for 1941 was eminently satisfactory from the bondholders' viewpoint. Net sales increased 25% over 1940—from $17,598,000 to $22,029,000 — and net operating profit of $3,378,000 represented an improvement of 100% over the $1,698,000 reported in 1940. Fixed charges in the 1941 calendar year were earned 7.10 times before income taxes compared with 2.43 times in 1940. After income taxes, the figures were, respectively, 4.26 and 2.28. The following gives pertinent data in the income accounts for 1941 and 1940:

(Continued on page 1527)

We specialize in

Minnesota & Ontario Paper Co.
1st 5s, 1960 & Common Stock

Circular containing detailed information furnished on request

ADAMS & CO.
231 SOUTH LA SALLE STREET
CHICAGO, ILLINOIS
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Bank and Insurance Stocks

This Week—Insurance Stocks

Accumulating evidence that heavier taxes for 1942 will affect corporation dividends generally is finding reflection in rising yields on insurance stocks, on the premise that lower dividends will reduce investment income and thereby expose insurance company dividends to possible reductions.

On April 9th, for example, General Foods at its annual meeting indicated intention to reduce its dividend. Such leading companies as DuPont, General Motors, Chrysler, Consolidated Edison, UGI, Public Service of New Jersey, American Tobacco, etc., already have reduced payments compared to last year. Reductions are also regarded as probable in the near future, and scale of year-end extras is expected to be lower for various leading companies.

Since the general insurance company practice is to limit dividends to within investment income alone, it therefore becomes of interest to note what margin of protection current dividend scales of insurance stocks is being given by investment income.

In this connection, it should be borne in mind that insurance companies have a constant inflow of new money represented by premiums written, and that this premium income is being sharply stimulated by the sustained high level of Defense production and shipments and rise in insurable values generally. Income from new money invested acts as an important offset to reduction in return from presently invested funds.

It should be remembered, also, that companies having large holdings of bonds and high-grade preferred stocks, with light holdings of common stocks, are less likely to incur appreciable reduction in investment income. Because investing policies vary and distribution of invested funds differs from company to company, the effects on individual companies have to be studied separately, and a generalization is of little value. It is noticeable, nevertheless, that during the past two years even the more pronounced "stock investors" among the fire companies have built up their ratio of cash and bonds relative to stock holdings.

Allowing for these limitations in generalizing, it is of interest to note that 52 leading fire companies registered a 7% gain in investment income for 1941, and that for 1941, these companies' total dividends in proportion to investment income were 77.2%. In other words, a cushion of 22.8% of investment income exists, theoretically, before dividends, both regular and extra, would be just covered by investment income. This does not allow, of course, for the increased income derived from investment of increased premiums.

Thirteen leading casualty companies registered a 9% increase in investment income in 1941, and for 1941, these companies' total dividends were 89.8% of investment income, indicating a cushion of 10.2%. Since casualty companies as a group have traditionally carried a high ratio of cash and bonds, their investment income enjoys a high degree of stability, and is strengthened, moreover, by their higher leverage of invested funds to stockholders funds.

No one knows just how heavy the inroad on corporation dividends by taxes will be; but it would appear that these margins of fire and casualty companies' investment income over their current dividends, both regular and extra, afford a reasonable degree of protection.

Nevertheless, the question arises as to how much of a reduction investment income could show and still just cover the regular dividends of the above groups of fifty-two fire and thirteen casualty companies. The fire group's regular dividends alone are 64.6% of 1941 investment income, allowing a margin of 35.4%; while the casualty group's regular dividends are 75.8% of 1941 investment income, a margin of 24.2%.

From these figures, it now becomes apparent that many of the companies could have increased extra dividends last year, in view of the larger investment income and satisfactory margin of coverage over prevailing rates. Some of the companies did in fact do so, but such increases appeared amply warranted by the increased coverage. As a general proposition, therefore, it appears that most companies anticipated the outlook for decreased investment income in 1942 and ploughed back the increase in 1941 investment income rather than increase extras to the extent justified by increased investment income. This, of course, imparted strengthened stability even to the scale of extras.

The question is often asked, what would be the average yield on insurance stocks if extras were completely eliminated? A group of twenty issues at closing prices April 10th yielded an average of 4.70% on full scale of regulars and extras; and 3.87% on scale of regulars alone. Thus, the extras of this group make a difference of about 1% in yield at current levels.

If this question is asked in order to judge how much further yields on insurance stocks should rise in order to be discounting possible 1942 reductions, care should be taken to consider the above high coverage by investment income alone. Insurance stock yields should not be judged by bare comparison with the general run of yields. The basic reason why yields of 5%-10% and even higher are available on various classes of common stocks is investor suspicion of stability of dividend rates. An insurance stock average yield of 4¾% today may be much more real than ephemeral high yields on industrials much more vulnerable to dividend reductions in 1942.

Indicating the degree of investor confidence in stability of insurance company rates, the average yield of the above group of twenty issues in the past five years has never been above 5%, the highest point being 4.83% (June 10, 1940) and the lowest 3.23% (Jan. 8, 1937).

Although insurance stock investment income and dividends, therefore, are subject like everything else to the deflationary effect of heavier taxes, the above data indicates better than average protection of present dividend rates, which with the aid of increased premium income will act as important offsets to higher taxes for 1942.

Continuing our coverage of the 1941 statements, the following tabulation lists "consolidated" liquidating values and operating earnings of leading parent companies:

CONSOLIDATED GROUP EARNINGS

	Liquidating Value		Operating Earnings				
			Und'g Gain		Inv. Income		Annual
	Dec. 31, 1941	Dec. 31, 1940	1941	1940	1941	1940	Divs.
Aetna (Fire)	$61.04	$63.03	----	$1.10	$2.77	$2.49	$1.80
Agricultural	85.14	89.50	$0.67	2.44	4.82	4.12	3.25
*American (Newark)	15.88	16.24	0.62	0.57	0.85	0.84	0.60
Boston	644.00	693.30	15.03	16.26	33.14	31.78	21.00
Continental Ins.	39.64	41.62	1.31	1.42	2.53	2.36	2.20
Fidelity Phenix	41.74	43.86	1.78	1.65	2.84	2.55	2.20
Fire Association	77.74	84.02	—1.09	2.25	4.38	3.93	2.50
Firemen's (Newark)	15.20	14.82	0.90	0.22	0.96	0.84	0.40
*Glens Falls	39.40	40.26	2.73	1.89	2.16	1.95	1.80
Home Insurance	25.83	27.51	0.62	0.30	1.81	1.61	1.60
Ins. Co. of N. A.	76.42	78.69	2.70	2.37	4.23	3.81	3.00
National Union	210.82	208.01	6.67	4.41	8.67	8.51	5.00
New Hampshire	47.20	50.03	—0.89	0.64	2.24	2.01	1.80
Prov. Washington	37.44	39.07	1.44	1.63	1.95	1.85	1.40
Security (New Haven)	46.73	47.52	1.96	1.11	2.40	2.24	1.40
Springfield F. & M.	131.92	135.91	3.69	2.87	6.02	5.76	4.75

*Before taxes on operating earnings.

Central-Penn National Bank
Corn Exchange Nat'l Bk. & Tr. Co.
Fidelity-Phila. Trust Co.
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Phila. Transportation Co.
3-6s, 2039 & Pfd.

H. N. NASH & CO.
1421 Chestnut Street, Philadelphia
Phila. Phone Locust 1477 *New York Phone* HAnover 2-2280
Teletype PH 257

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF
NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital ________ £8,780,000
Reserve Fund __________ 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000

Aggregate Assets 30th Sept., 1941 __________ £150,939,354

SIR ALFRED DAVIDSON, K.B.E., General Manager

Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

Quarter Century Club Of NYSE Honors Two

William Gaudioso and Nelson Johnston, former employees of the New York Stock Exchange for 47 years and 37 years, respectively, were guests of honor today at a meeting of the employees' Quarter Century Club, and were presented with appropriately inscribed watches by John V. Freudenberger, President of the club.

Mr. Gaudioso retired on March 26 at the age of 65, and Mr. Johnston on March 1, at the age of 61.

BANK and INSURANCE STOCKS
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The Securities Salesman's Corner

A BOND SALESMAN LOOKS AT "TAXES"

The writers of this column wish to admit right at the outset that they don't wish to pose as experts on the subject of taxes. We are going to say our little piece because we believe that many a securities dealer and salesman will be able to understand what we are talking about. They have had the same experiences as we are going to relate. We also believe that it will be a relief to approach this subject from another standpoint rather than that of these so called experts who have been writing reams of unintelligible gibberish, as far as we are concerned, on one of the most "balled up" propositions before the country today.

With us, it's a question of practical experience in dealing with the EFFECTS of certain tax laws upon investors in general. We securities salesmen talk and deal with the people who pay most of the income taxes and other taxes as well. In other words, putting some of our observations up against those of our present crop of "class room theorists," might be likened to a story we heard the other day.

A teacher in a city school asked the class a question in arithmetic. He said: "There are 40 sheep in a meadow and five go over the fence. How many are left?" Johnny, who was a city boy, spoke up: "There will be thirty-five left." A little fellow in the back of the room spoke up: "I don't think that answer is right teacher," said he. "Why not?" replied the teacher. "Well," said the youngster, "I was raised in the country and if either you, or that city kid, ever saw a flock of sheep in a meadow, you'd know darn well that if five of them climbed over the fence all the rest would follow — there wouldn't be any left."

How many times have some of you heard this sort of remark from your clients? "What's the use of my buying that stock, or that bond, or even that piece of real estate. If I make a profit I'll have to pay almost half of it out in taxes, but if I lose, it will be all my loss." Here is human nature in action. Despite all the theories of the bright boys who wrote the so-called "Capital Gains" tax law, there is one thing they did not think about. Morals, ethics, the right or wrong of it, be hanged, IN THE LONG RUN IT'S SELF INTEREST THAT IS PLACED FIRST WITH THE MAJORITY OF HUMAN BEINGS; and any day that this is changed you'll have Utopia here; then we won't need any tax experts, or for that matter any taxes either.

As a revenue producer this capital gains tax is practically worthless. It is reported that it brings in about $17,000,000 per annum. This is just about enough to finance our governmental expenditures for four hours of one day at their present rate. Meanwhile this unrealistic tax law, stifles private enterprise, hypnotizes investors, freezes capital and adds to the stagnation of hundreds of millions of dollars worth of private wealth at a time when it is urgently needed for the nation's business and industrial expansion.

Then again, how many times have you advised a customer to sell a security, which good judgment would indicate should be sold, and be faced with this, "No, I won't sell, I'll keep it. If I sell now, my taxes on the profit will be excessive, so I'll hold on." Later on subsequent events proved that the security should have been sold. The stock declined below its acquisition cost. Another investor's capital and confidence has been impaired and only because an entirely extraneous circumstance interfered with the proper judgment of values. In this way healthy market activity is restricted and this is also an unfavorable condition for the country to be faced with during times like these we are now going through.

Despite all the talk about the dangers of inflation there are millions of property owners in this country that could well stand to see some modest rise in the market prices of their real estate holdings. There are also many millions of investors that could also stand an improvement in the market values of their securities. Market activity and a chance for a "profit," might not be the whole answer to the present low state of the market and the morale of this nation's investors. But one thing is certain, it wouldn't hurt any and it might help a lot. It would be worth a trial at least, for there would be little lost to the Treasury if this tax were repealed.

Then there is another important consideration that will be of direct benefit to the Treasury itself. Here again we say to the "experts," "Go out in the field, see the people as they are, not as you wish them to be. Watch what happens to the average American when he finds that his property or his stocks have increased in market value. See the change in his attitude toward paying the higher taxes which you must now collect. Watch how much more readily he parts with his cash for Defense Bonds." Patriotism is always a real American's first consideration, but you'll find that even Patriotism can express itself on tax day a lot more freely and readily when stock prices are up and holdings worth more *rather than continually declining to "new lows" every day in the week.*

It looks like this capital gains tax is on the way out. Let us hope so. Wall Street has been advocating its repeal for many years. Maybe if we keep quiet and let the experts finally take credit for this long belated step —at last it will be done. These days if you want anything done by the "experts" you have to make it appear as if they originated the idea themselves. If so, no one will care who gets the credit, just as long as we see better markets, higher real estate and security prices, and more taxes in the long run, for the national treasury.

Next week, we'll have a few more things to say, on another phase of this tax question.

Note: As long as the tax on capital gains remains in force, salesmen will find another logical argument for the purchase of very low priced speculations by their clients whose incomes run into the upper brackets.

Junior bonds of bankrupt railroads have been especially attractive in the past few months. Buy 100 of these $2.00 bonds for $2,000, if they go to $3.00 there is a 50% profit on the transaction.

Taxpayers in the upper brackets could pay their high capital gain tax on this large percentage of profit and still find their net gain worth the risk.

The Bond Selector

(Continued from page 1526)

	Yrs. End. Dec. 31 1941	1940
	—(add 000)—	
Net sales	$22,029	$17,598
Cost of sales	11,671	14,068
Selling, etc., expenses	1,967	1,830
Net operating profit	3,378	1,698
Bond interest	561	610
Income tax and conting.	1,595	92
*Balance	1,223	996
Times charges earned	7.10	2.43

*After depreciation and depletion: 1941, $1,505,000; 1940, $1,386,000.

At the end of 1941, net plant stood at $26,726,000 after depreciation reserve of $7,951,000, and net timber account amounted to $2,498,000, a total of $29,224,000 of net physical property. Bonds outstanding at the same time of $9,757,000 consequently represented only 34% of such carrying value of property.

Net working capital at Dec. 31, 1941, totalled $8,789,000, equivalent to $900 per $1,000 of the 5% bonds then outstanding. Cash of $3,790,000 alone was in excess of total current liabilities of $3,167,000. Government securities amounted to $1,095,000, so that total cash items were $4,885,000, or 1.5 times current liabilities. Inventories stood at $4,630,000.

It is expected that earnings will hold up well in 1942, and amortization of outstanding bonds through action of the heavy sinking fund presages strength in the market for these bonds.

The common stock of the company is also an attractive speculation because of the large return, increased earnings and book value.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of N. Dorsey Robinson to Morton D. Joyce will be considered by the Exchange on April 23.

The proposal that Ray Clark act as alternate on the floor of the Exchange for Leo Kirsch will be considered on April 23.

Ehrick B. Kilner retired from partnership in Carreau & Co., New York City, as of March 31.

Interest in DeHaven & Townsend, Philadelphia, of the late William B. DeHaven ceased on Feb. 10, and of the late B. Frank Townsend, Jr., as of April 6.

Andrew S. Mills and James L. Sullivan retired from partnership in Francis, Bro. & Co., St. Louis, Mo., as of April 2.

Edward C. Stoddard withdrew from partnership in Hicks & Price, Chicago, as of March 31.

Aymar Johnson, partner in Johnson & Wood, New York City, died on April 6.

Del Monte With Davies

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF. — Guido del Monte has become associated with Davies & Co., Russ Building, members of the New York and San Francisco Stock Exchanges. Mr. Del Monte was formerly manager of the Green Street office of Bacon & Co.

AFFILIATED
Fund, Inc.
A LEVERAGE
INVESTMENT COMPANY
Prospectus on request
LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York
CHICAGO JERSEY CITY LOS ANGELES

Investment Trusts

The inner workings of investment company management have always been a mystery to the uninitiated. The SEC criticized the trusts for their failure to make clear their management aims and operations to their stockholders. Such criticism was in many instances justified, and the trusts, realizing this, are making great efforts to clarify their actions and the reasons for them.

In the process it has been made possible for stockholders and others to get a look deep down inside and see what makes the investment companies run. Studies of the leverage investment company sponsored by Lord, Abbett & Co. — Affiliated Fund, Inc.—have provided many points of interest.

Leverage—a capitalization consisting of debentures as well as common stock—is the only fundamental difference between Affiliated Fund, Inc. and the mutual investment companies. But the leverage feature which greatly amplifies the market action of the common stock also makes necessary amplified investment action on the part of the management.

If, for example, the Fund had assets of $20,000,000 invested entirely in common stocks, and its capitalization consisted of $10,000,000 of debentures plus the capital stock outstanding, then the total net asset value of the capital stock would be $10,000,000. Assuming the common stock portfolio of the Fund moved approximately in line with the stock market, a 5% change in the stock market would mean a 5% change in the assets of the Fund, or $1,000,000. But since the capital value of the Fund's debentures would remain unchanged at $10,000,000 the entire change of $1,000,000 in assets would be imparted to the common stock and would amount to a change of 10%—just twice the change in the stock market and twice the change in the Fund's total assets.

This amplification of market movement imposes upon the management the necessity of taking greater-than-usual investment action. Merely to reduce the market action to normal in times of market decline it is necessary to offset the entire amount of outstanding debentures by portfolio holdings of cash, government bonds, or other equally stable assets. To take full advantage of the leverage provided by the capitalization it is necessary for the management to make sweeping changes from full investment in common stocks in periods of prolonged market rises to only half-investment or less in declines, and vice versa.

When such extreme changes in investment are necessary dealers and investors interested in the company are in greater need than usual for full knowledge of the operations. To meet this need Lord, Abbett & Co., the sponsors, in addition to furnishing weekly copies of the portfolio "makeup sheet" to dealers requesting it, have adopted a policy of reviewing the current operations from time to time. In these reviews they tell not only what the management has been doing but also why.

In a current release discussing the most recent operations the following report was made:

"For approximately two years the Fund has followed a management policy of high liquidity. Why? Simply because all the studies, research and comprehensive indices developed by Research & Management Council, Inc. indicated a persistent deflation of equities. For many months the reports of Research & Management Council, Inc., to the Directors forecast that the Dow-Jones Industrial averages would break through 100. A highly liquid position therefore, was maintained. With the decline in the averages to about 105, following Pearl Harbor, and with some indications that the deflationary trend had overrun itself, approximately $1,000,000 was employed for the purchase of certain bonds and some stocks in late December.

"With the turn of the year, however, and with a slight rally in the averages to approximately 110-111, the danger signals again appeared with the result that more cash and treasuries were acquired. As of March 31st, the composition of the portfolio was as follows:

Common Stocks	27.51%
Corporate Bonds	14.79%
Government Bonds	29.86%
Cash and Other Assets	27.84%
	100.00%

"No additional sales of portfolio securities are anticipated for the purpose of further liquidity. In fact, at the regular March meeting of the Board of Directors, the report of Research & Management Council, Inc. was reasonably optimistic in tone—a distinct contrast to the consistently pessimistic character of the reports of the preceding months.

"It is the opinion of Research & Management Council, Inc. that while we may see lower prices during the second quarter, a sustained recovery will begin this year, and the Dow-Jones Industrial averages will close higher on Dec. 31, 1942 than on Dec. 31, 1941. Forecasting the stock market is a dangerous vocation, but it's part of the business of Re-

(Continued on page 1530)

MANHATTAN
BOND FUND
INC.
PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PL. 634 SO. SPRING ST.
JERSEY CITY LOS ANGELES

Municipal News & Notes

While seeking to tax outstanding State and municipal bonds, the Treasury specifically excludes obligations of the local housing authorities now outstanding. This stand was revealed in a letter received by Lehman Brothers, investment banking firm of New York City, from the Treasury Department. The letter follows:

"Local housing authorities are, of course, not instrumentalities of the United States, and the matter of the tax status of their obligations must therefore be determined independently of that of Federal instrumentalities. The United States Housing Act of 1937 provides, however, that the interest on obligations of local housing authorities 'shall be exempt from all taxation now or hereafter imposed by the United States,' which provision distinguishes these obligations sharply from the ordinary obligations of State and local governments, with respect to which exemption from Federal income taxation has been extended by statute only on an annual basis.

"It appears, therefore, that outstanding obligations of local housing authorities occupy a special position and they are consequently not included in the scope of the Treasury Department's recommendation that the interest on outstanding State and local obligations generally should be subjected to Federal income taxation. The Treasury's recommendation does, however, apply to future issues of local housing authorities."

Housing Bonds Books Closed

Lehman Brothers, head of the syndicate which offered $17,350,000 New York City Housing Authority refunding bonds, announced last Friday that the issue had been sold and the books closed. This issue came out late in January and was knocked down but not out by Secretary Morgenthau's Cleveland speech on Jan. 24, beginning to sell again as the market regained its breath. It is considered probable that the Treasury's above quoted statement provided the impetus necessary for disposition of the more than $2,000,000 balance in the account.

Housing Notes Offered

Local public housing agencies of 10 cities and three counties considered bids yesterday for the purchase of $54,629,000 temporary loan notes maturing at various intervals from Sept. 30, 1942, to May 4, 1943. The largest of this group is $25,000,000 notes of the Boston public housing agency dated Apr. 29, 1942, and due Nov. 4, 1942. Next in size is a Washington, D. C., agency issue of $11,230,000 carrying the same date and maturity as the Boston notes.

Two more housing agencies are receiving tenders today for an aggregate of $22,210,000 notes. The Baltimore public housing agency, larger of the two, will offer $21,330,000 notes dated Apr. 29, 1942, and due Nov. 4, 1942. The Middletown, Conn., housing agency will offer the balance of the aggregate of $880,000 notes dated April 29, 1942, and due May 4, 1943.

FLORIDA

FLORIDA MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R.E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

N. Y. State Local Finance Law Approved

Governor Lehman signed this week a measure dealing with the financial affairs and management of municipalities, school districts and district corporations. It sets up a new Local Finance Law, effective July 1, 1943, constituting Chapter 33-a of the Consolidated Laws. This lengthy measure, known as the Moffat Bill, becomes Chapter 424, Laws of 1942. It is the result of considerable study by a committee of which Mr. Moffat is the head.

N. Y. State Road Bond Issue Frozen

Legislative action was completed last week on a bill which forbids expenditures of any moneys from the $60,000,000 New York State highway-parkway fund during the war, unless the expenditure is specifically certified by the Governor as "necessary to the interests of national defense." The measure permits minor expenditures for drafting post-war highway and parkway building programs.

N. Y. Port Authority Finances Termed Sound

The Port of New York Authority was declared last week to be in good financial position "to withstand the effect of wartime restrictions on automobile traffic." The investment banking firm of R. W. Pressprich & Co., 68 William Street, New York City, studying the financial affairs of the Authority, which is responsible for operation of New York bridges and tunnels, said that "if other revenues are maintained" the Authority could lose up to 58% of its 1941 revenue from passenger cars and yet cover 1942 operating expenses.

"As the interest and sinking fund requirements vary for some later years, the losses in current revenue which can be sustained in any one year differ somewhat," the firm said. "The Authority, however, has certain reserve funds which could be used in case of necessity, and these are not taken into consideration in the calculation."

Philadelphia Tax Delinquencies Decline

When it is taken into consideration that 27% of Philadelphia's real estate tax was delinquent in 1933, the 1941 delinquent rate of only 6.7% looks very good indeed.

There has been a gradual but steady improvement in current tax collections since 1933 and if the present trend continues, as the Municipal Research Bureau points out, it is expected that collections will be back to normal in two years. A certain percentage of the levy is likely to be uncollectible each year. In the early twenties the unpaid figure ranged from 4.7 to 5.9%.

The effect of on-time payment of real estate taxes is to help stabilize the city budget. With real estate values improving, corresponding increase in current realty tax returns may be looked for.

The sharp decline in real estate assessments and tax income during the depression years was one of the main causes of the city's financial ills that resulted in debt accumulations and imposition of the wage tax to meet operating expenses.

Kentucky Municipal Electric Systems Authorized

Under a State law enacted this year, all Kentucky cities and other local governments will be able to establish municipal electric systems and contract with the Tennessee Valley Authority for current, the International City Managers' Association reports.

The new law, considered one of the most comprehensive enabling acts in the country, provides that local governments may acquire existing electric properties owned by private utility companies by negotiation, agreeing to purchase at the price set by a valuation board of company and municipal representaives, or by condemnation proceedings.

The localities also can construct, lease and otherwise acquire properties needed to establish the municipal electric systems.

Revenue bonds are specified as the source of financing the municipal electric system, and both interest and payments of principal must come out of utility earnings. The electorate votes on the bonds, which are not classed as a debt of the municipality.

Wisconsin Cities Cutting Bond Debts

A significant development in Wisconsin in the last 10 years is a pronounced trend among cities toward elimination of bonded indebtedness. Since the end of 1931, according to "The Municipality," official organ of the League of Wisconsin Municipalities, the total outstanding city bonded debt has dropped from $92,820,717 to, at the end of 1940, $56,205,111.

The policy of the city of Milwaukee in cutting down its bonded indebtedness has been so successful—its amortization fund now almost equals the total indebtedness—that it has overshadowed steps in the same direction taken by other cities. It is worth recording, therefore, that there are many smaller cities which do not have any general obligation bonds.

Alaskan Purchase Price Amply Repaid

Alaska's strategic advantages to the United States in the war with Japan have become obvious to all, and official figures available long before the attack on Pearl Harbor showed that the territory has returned in fish, minerals, furs, lumber and other products about 200 times the $7,200,000 for which the United States bought it from Russia under a treaty signed in Washington 75 years ago.

But at the time of the acquisition the purchase price, less than two cents an acre for a land with an area of 590,884 square miles, more than twice the size of Texas, was widely regarded in this country as a waste of money.

Indianapolis Schedules Revenue Bond Sale

The success of the $17,500,000 Cleveland transit system revenue bond sale last week augurs well for the $6,000,000 Indianapolis gas utility revenue bond offering next Thursday. Blyth & Co., Inc., head of the combined group that purchased the Cleveland bonds, reported that the issue "went out the window." This may indicate that the so-called revenue obligations of municipalities and agencies are entering upon a period of wider popularity. The

CONTINENTAL ILLINOIS
NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO

Statement of Condition, April 4, 1942

RESOURCES

Cash and Due from Banks	$ 722,448,131.87
United States Government Obligations, Direct and Fully Guaranteed	730,752,296.50
Other Bonds and Securities	79,589,139.76
Loans and Discounts	286,385,806.90
Stock in Federal Reserve Bank	3,000,000.00
Customers' Liability on Acceptances	795,947.85
Income Accrued but Not Collected	3,662,738.27
Banking House	11,925,000.00
Real Estate Owned other than Banking House	1,822,916.35
	$1,840,381,977.50

LIABILITIES

Deposits	$1,701,347,123.86
Acceptances	849,366.13
Reserve for Taxes, Interest and Expenses	6,635,483.52
Reserve for Contingencies	17,223,907.22
Income Collected but Not Earned	531,280.89
Common Stock	50,000,000.00
Surplus	50,000,000.00
Undivided Profits	13,794,815.88
	$1,840,381,977.50

United States Government obligations and other securities carried at $229,671,450.30 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

Member Federal Deposit Insurance Corporation

CHARTER NO. 13738 RESERVE DISTRICT NO. 7

REPORT OF CONDITION OF
THE MANUFACTURERS NATIONAL BANK
OF DETROIT
in the State of Michigan

At the close of business on April 4, 1942
Published in Response to Call Made by Comptroller of the Currency, Under Section 5211, U. S. Revised Statutes

ASSETS

Loans and discounts (including $18,682.94 overdrafts)		$ 37,718,601.01
U. S. Government obligations, direct and guaranteed		103,974,297.87
Obligations of States and political subdivisions		2,264,439.85
Other bonds, notes, and debentures		17,103,884.68
Corporate stocks (including 225,000.00 stock of Federal Reserve Bank)		324,500.00
Cash, balances with other banks, including reserve balance, and cash items in process of collection		102,682,946.54
Bank premises owned $312,473.35, furniture and fix. $1		312,474.35
Real Estate owned other than bank premises		9,135.63
Other assets		608,706.24
TOTAL ASSETS		$264,998,986.17

LIABILITIES

Demand deposits of individuals, partnerships, and corporations		$171,686,696.20
Time deposits of individuals, partnerships, and corporations		34,270,011.75
Deposits of United States Government		170.011.33
Deposits of States and political subdivisions		16,357,708.94
Deposits of banks		30,982,942.92
Other deposits (certified and cashier's checks, etc.)		1,249,312.54
TOTAL DEPOSITS	$254,716,683.68	
Other liabilities		598,511.54
TOTAL LIABILITIES		$255,315,195.22

CAPITAL ACCOUNTS

Capital stock, common, total par	$ 3,000,000.00
Surplus	4,500,000.00
Undivided profits	1,661,087.89
Reserves	522,703.06
TOTAL CAPITAL ACCOUNTS	9,683,790.95
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$264,998,986.17

MEMORANDA

Pledged assets (and securities loaned)	NONE
Secured Liabilities	NONE

Offices
DEARBORN DETROIT HIGHLAND PARK
Penobscot Building
Member Federal Deposit Insurance Corporation

near future might well witness a definite pick-up in the volume and a broadening of the market for this type of tax-exempt security. These obligations present relatively attractive yields, which probably is responsible for the hearty response now being acknowledged by investors.

National Tax Collections For 1941 Reach Peak

Tax collections during 1941 totaled $17,000,000,000 or $131 for every man, woman, and child in the nation. This figure includes all divisions of government: local, State and national. To operate all of these branches it took more than 6,800,000 employees. There were 340,000 police alone, according to the Census Bureau, or about 23 army divisions. State governments collected a total of $4,499,000,000, an unprecedented high. Other divisions reported better collections, with the exception of general property taxes.

States Oppose Federal Gas Tax Increase

The States face a serious problem of maintaining arterial highways now vital to war transportation, to say nothing of road debt service or of constructing new roads, now that the decline in State gasoline taxes has just begun to be felt, the House Ways and Means Committee was told Monday by representatives of the States and various automobile, truck and highway officials who opposed any further increase in the Federal motor fuel tax.

Speaking on behalf of his own and other states, Hal G. Sours, Ohio's director of highways, said state revenues for road purposes were starting on the downward trend as a result of a one-third gasoline rationing in the eastern states and several western states, and that drastic reductions in revenues—running as high of 60%—were to be looked for in some states.

Mr. Sours advocated that the Federal tax be left at 1½ cent a gallon so that the states would have this added field with which to maintain roads and service their highways debts. This stand was supported by the American Association of State Highway Officials, through its President, G. Donald Kennedy, Lansing, Mich.

West Virginia Sells Bonds

As an illustration of the firmness which has returned to the municipal market in recent weeks, the State of West Virginia sold $1,000,000 road bonds on Tuesday at a net interest cost of about 1.538%. A similar issue was awarded by the State on Jan. 27, just a few days after Mr. Morgenthau's little talk in Cleveland, at a net interest cost of about 1.73%.

Municipal bond men point to the strong bidding for higher grade "names" as an indication of the belief of many buyers that tax exemption will not be ended at least this year. Earlier this year municipals receded considerably when it was rather generally assumed that there might be action along that line at this session of Congress. Some city bonds since have got back pretty close to their record highs established last year.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

April 16 (Today)

$700,000 Maine (State of)

Last July the State awarded an issue to Blyth & Co., Inc., and C. F. Childs & Co., both of New York, jointly. The First Boston Corp. was the runner-up in the bidding.

April 21

$2,000,000 Massachusetts (State of)

Lehman Bros. of New York headed the syndicate which obtained the award of the bonds offered last November. Second highest bid was submitted by Tyler & Co. of Boston.

$670,000 Amarillo, Tex.

This city awarded a smaller issue last September to Fox, Reusch & Co. of Cincinnati.

$3,550,000 Norfolk, Va.

Halsey, Stuart & Co., Inc., of New York, obtained the award of the bonds offered in May, 1941. The Union Securities Corp. of New York, and associates, second highest.

April 23

$6,000,000 Indianapolis, Ind.

This current offering consists of gas utility revenue bonds. On May 29, 1941, the city awarded hospital bonds to the Harris Trust & Savings Bank of Chicago, while Lazard Freres & Co. of New York, and associates, headed the various unsuccessful bidders for the $250,000 issue.

April 28

$6,800,000 Allegheny Co., Pa.

Lazard Freres & Co. of New York, headed the successful syndicate in April, 1941. Next best bid was entered by Harriman Ripley & Co., Inc., of New York, and associates.

Porter King Retires

MONTGOMERY, ALA.—Porter King has withdrawn from partnership in King, Mohr & Hendrix, First National Bank Building, as of April 1st, and has retired from business. The firm announces that the Mobile office has been closed, but it is continuing under the same name of King, Mohr & Hendrix in Montgomery and Birmingham.

Our Reporter's Report

(Continued from first page)

projected under the Truth in Securities Act is now definitely on its way to market in the shape of the American Tobacco Company's $100,000,000 program just filed with the SEC.

The issue, to run for 20 years and carry a coupon of 3%, is expected to appeal to banks, trust funds and other institutional investors.

But that the debentures are expected to carry wide appeal to the individual investor is suggested by the scope of the syndicate which will handle the task of marketing.

This group will include 146 underwriting houses and some 600 distributors throughout the country. The banking group contemplates signing up for the deal on April 21 and is understood to have the offering projected for one week from today.

International Harvester

Everything was in readiness for the secondary offering of 225,000 shares of International Harvester Company common stock on Tuesday, until the further decline in the general market developed.

With 52 underwriters in the distributing group, offering of the stock for the estates of two large holders was planned to follow the close of the market.

But when International Harvester slipped more than a point with the general decline in stocks, to within striking distance of its 1942 low, it was decided to postpone the sale pending more satisfactory market background.

Into The "Sock"

Buyers of United States Treasury Savings Bonds are showing an increasing tendency to hold them, latest reports on presentations for redemption reveal.

In the early days of sales of Defense Savings Bonds, that is "Baby Bonds," in 1939 for example, the ratio of redemptions ran as high as 5½% of the total sold in some months.

But in the closing months of 1941 and through the first two months of the current year, the redemption ratio was down close to 2%. In the latter part of February and March the ratio was higher but still under 3%, due to redemptions to secure funds for tax payments.

It is now calculated that sales for the year will run between eight and nine billions. On this basis, the total of redemptions, if the current ratio holds, should fall well below $200,000,000.

Speculators Take Profits

The speculator who is successful lives by the rule that a profit is not a profit until it is taken. And, accordingly, those who have been dabbling in speculative railroad bonds seem to be guided by that line of reasoning.

True, there have been developments which have tended to take the edge off the long side of speculative carrier obligations, such as the War Production Board's ruling on new equipment allowances, or quotas.

But judging by the action of these bonds, which had been a fountain of strength recently, traders who had built up goodly paper profits needed only an excuse for converting these into cash.

Analysts To Hear Pogue

The April general meeting of the New York Society of Security Analysts, Inc. was addressed by Joseph E. Pogue, Vice-President of the Chase National Bank and widely known authority on the petroleum industry. Dr. Pogue included in his discussion a consideration of the effect on the oil industry of factors such as the transportation difficulties resulting from enemy operations, the rationing of gasoline, the rubber shortage, and taxes.

Faroll Bros. Move In Cgo.

CHICAGO, ILL. — Faroll Brothers announce the removal of their offices, as of April 18, from the Board of Trade Building to 208 South La Salle Street, where they will occupy ground floor space with entrance in the lobby. Their new telephone number will be Andover 1430.

VALUABLE PAPERS POLICY

The loss of deeds, mortgages, abstracts, books, records, maps, drawings, manuscripts, documents and the like, may impose a serious financial burden on business houses.

A Valuable Papers Policy will indemnify for the cost of reproduction or replacement in the event of loss, destruction or damage. The insurance applies within a stated location, but may be extended to include protection while such papers are being conveyed outside the stated location.

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U. S. F. & G.

UNITED STATES FIDELITY AND GUARANTY COMPANY
With which is affiliated
FIDELITY AND GUARANTY FIRE CORPORATION
HOME OFFICES—BALTIMORE, MARYLAND

Must Preserve Free Enterprise: Schram

(Continued from First Page)

this country ever made anything like full use of its creative resources, of man power and of brain power. Hence, before we can understand our capacity to produce, we must undergo a fundamental change in our habits of thought. What I mean is that this war effort requires more than a mere conversion of industrial plants to war production—it requires also a conversion of concepts.

I suppose few business men in this country have ever learned to think in terms of a limitless demand for their industrial goods or in terms of a limitless demand for workers to make them. But the fact is that today the market for war goods is precisely so—it is unlimited. Therefore, it would seem that the first important thing to be done, in bringing about the needed metamorphosis in economic thought, is for the Government to take off the "check rein" and to give business its head; the necessary thing in the war effort is for business itself to complete the transition from profit incentive to victory incentive.

While every ounce of concentration of resources and of energy is demanded for the successful prosecution of the war, it is important that we look beyond these stressful times to the era that will follow; an era of secured and revitalized democracy; new frontiers of business development; new markets for the American products of peace and goodwill. But it is also necessary that we keep the fact uppermost in mind that it is only by a victorious defense of our democratic processes can we accomplish these objectives. We will not have won the war if, in defeating the forces of aggression, we permit our free institutions to be wrecked or undermined. Speaking as a farmer, we must preserve the "seed corn" of our peace-time economy so that the post-war planting will be made more fruitful.

In considering the structure of the economy which must follow after the war, it is absurd to talk about our national economy becoming less capitalistic, if by that it is meant more abundant supplies can be obtained with relatively smaller capital resources. When one considers the immense amount of capital which will be required to meet our post-war demands to reckon with the satisfaction of human needs, it becomes apparent that all thinking which does not take these factors into account is entirely without meaning. Our post-war economy will require, as its basic prerequisite, enormous amounts of the savings of the people to capitalize future economic progress. I have never looked upon government spending, whether for war or for peace-time needs, in any sense other than as "economic blood letting." With this in mind, I believe it essential that private capital resources be carefully strengthened for use as economic "blood transfusions" when the war has been won.

It has been said that this is a war between standards of living. This is so, but the conflict between standards of living means one thing to us, quite another thing to our enemies. We are willing to lower our standards of living, to militarize ourselves completely for the duration of the war, because we realize that this course is necessary now if we are to resume, afterwards, the process of elevation. We have abiding faith in our capacity under the form of productive democracy to improve our way of life, without limit. This is what we are fighting for.

We, in this country, have been accustomed to think of our national income in terms of anywhere from 30 to 90 billion dollars a year. We are seeing this income rise rapidly under the stimulus of the war effort. According to current estimates, it will run well above 100 billion dollars in 1942. Who would be so bold as to put a definable limit to which our wealth-creating capacity can be stretched.

We look forward, after victory, to the release of a gigantic pent-up demand for the products which we are, on an ever-increasing scale, denying ourselves during the war. The possibilities which the end of the war will open up to us stagger the imagination.

I do not suggest that the transition from war to peace, and from war-time production to peace-time development of commerce and industry, can be accomplished without great difficulty. But I am saying that the surest preparation which we can make is to fix resolutely upon the only policy to which our great productive and organizing capacities will respond.

The American system, in which we are justifiably taking great pride just now, is quite equal to any burden which it may have to carry, provided we understand just what our system is and just what it feeds upon; provided the whole country is rallied behind an unequivocal national policy that recognizes the fundamentals which give that system its rugged strength and its vitality.

To put it more clearly, we need today an unambiguous reaffirmation of our faith in the American principles. I cannot think of anything that would give a greater lift to our national spirit than an authoritative expression of adherence to the American system of private initiative and enterprise.

We cannot complacently rest on the assumption that such a definition of policy is unnecessary. As we all know, ambitions and objectives entirely out of harmony with American principles are entertained in some quarters. There are some among us who make no secret of their conviction that we must plunge into some form of planned collectivism. There are still others who, while they may not like the idea of a planned collectivism, feel that it is inevitable, and there are still others who wonder just what our national policy is, or whether such policy as we may have is based upon confidence in our American system. The theory is being plausibly put forth by a very articulate and influential minority group that our free system is unequal to the task ahead.

Let me say again that the economic potentialities of this country have never been fully appreciated or realized. Already our war production is surpassing what were regarded as extravagant estimates only a short time ago. This enormous expansion is no accidental development. It is a characteristic of our enterprise system.

Our people have learned by bitter disillusionment and costly mistakes that there are no substitutes for the productive processes. Nostrums, no matter how fancy the packages they come in, do not work. It augurs well for the future that we gained this experience the hard way. It ought to put us on our guard when the planners seek again to tempt us into easy paths.

To those of you who are wondering what you can do to protect our system of intiative from the dangers to which I have alluded, let me say this: we have witnessed in the last few months a remarkable demonstration of the power of public opinion in this country. The people are in revolt against inertia, against incompetence, against defeatism and against those forces and influences that jeopardize their cherished institutions. Time and again, a command or an admonition has come from the people and has been instantly obeyed. Wherever there is an expression of the national will, we may be sure that it will prevail.

Discussing the national debt and the ability of the country to meet it, Mr. Schram had the following to say in his address:

No one can guess what our national debt will amount to when this war has been won. It is being increased by more than $21,000,000,000 during the current fiscal year, according to the prediction made in the President's budget message to Congress. That will bring the total to roughly $70,000,000,000. Another increase of approximately $40,000,000,000 is expected for the fiscal year beginning next July 1. In other words, on the basis of present estimates, the debt will have risen to about $110,000,000,000 by June 30, 1943. It is entirely possible that, should the war last that long, we will have an aggregate debt of approximately $150,000,000,000 by the middle of 1944. It may eventually run to $200,000,000,000, or even higher, depending upon the speed and energy with which we can turn our maximum powers upon the enemy.

Whatever the cost of victory may be, the American people are prepared to pay it. Of that there can be no doubt. There is only one choice for us, as between freedom or slavery. As has been said many times in the last five months, war is never cheap—but it is a million times cheaper to win than to lose.

Investment Trusts

(Continued from page 1527)

search & Management Council, Inc. and that's the way it looks to them.

"In view of this opinion, it is anticipated that the liquid assets of the Company—always considered of a temporary nature—will be utilized in the near term future."

This is just one example of one way in which the investment companies are trying to improve their relations with the general public. For a long time it was feared that if the companies revealed their operations stockholders who disagreed with the steps taken might liquidate their holdings, and that others, in lieu of buying the investment company securities, might merely try to follow their management in operating a private portfolio. It remains to be seen whether or not these fears were valid, but thus far they seem to have been groundless. Apparently the average investment company security buyer considers the management's judgment superior to his own on the whole.

Investment Company Briefs

"In the eventful period of approximately 21 months since Dunkirk, the Dow-Jones Industrial Stock Average declined (from 111.84 at the close on June 10, 1940 to 101.05 at the close on March 26, 1942) by almost 10%. The offering price of Dividend Shares stood at the same level at the close of March 26, 1942, as at the close on June 10, 1940. In addition, 7 quarterly dividend payments totalling 11.7 cents per share were made on Dividend Shares during the period. These provided an annual average return on the offering price June 11, 1940, at the rate of 6.82%."—Calvin Bullock's "Bulletin."

From a National Securities & Research Corporation bulletin:

"While the impact of actual war has unquestionably scared or confused a great many investors it has *definitely clarified the situation* for the able professional. The moment war was declared a little foresight indicated that the war economy would include:

(a) A huge war industry program.
(b) Sustained peak activity for companies engaged in necessary war work.
(c) Diminution, disruption and, in some cases cessation, of consumer goods industries caused by production quotas, priorities, etc., thus disrupting consistent earnings records and imperiling dividends and interest payments.
(d) More and higher taxes all around.
(e) Higher costs of doing business and higher living costs.

"These facts meant that investment funds should be *concentrated* in the industries and companies most likely to be benefited by our war economy, companies that would earn enough money to *pay* large taxes yet meet interest requirements and sustain dividends.

"The management of National Securities & Research Corporation recognized its responsibilities and opportunity and immediately checked holdings against the conditions likely to be met under a full war economy. The portfolio of each fund was then adjusted to the war economy with full consideration given to the investment objective of the respective fund. Such portfolio changes were considerable, and in one fund involved 50% of the issues. An important contributing factor to the success of the adjustments was the ample yet limited size of the various funds. No large blocks of individual issues had been accumulated, as flexibility has always been a requirement."

The Board of Directors of Manhattan Bond Fund has declared ordinary distribution number 15 amounting to eleven cents per share and an extraordinary distribution of three cents per share both payable April 15, 1942 to holders of record as of the close of business April 6. The Company reports that this total payment of fourteen cents per share compares with eleven cents for the corresponding date in 1941.

The Fund also reports that during March it disposed of its remaining holdings of Central States Power and Light Corporation 1st 5½s, 1953 through tender to the issuing company at 100 and accrued interest. The Board of Directors has added to the list of bonds approved for purchase. United Light and Railways Company Debenture 5½s, due 1952.

Directors of Boston Fund have declared a regular quarterly dividend at the rate of 16 cents a share, payable May 20, 1942 to shareholders of record April 30, 1942. This dividend is derived entirely from undivided earnings representing income of the Fund from dividends and interest on securities owned. A dividend of the same amount per share was paid in the same quarter of last year.

The investment portfolio of Chain Store Investors Trust has now been entirely liquidated and the assets of the Trust consist solely of cash. The liquidating value of shares of beneficial interest, after allowing for known expenses of operation, but before reserves for contingencies, is approximately $13.37 per share.

In accordance with the plan outlined in their letter to shareholders dated March 19, 1942, the Trustees are at this time making a liquidating cash distribution to holders of shares of beneficial interest in the amount of $13.00 per share. Checks covering this distribution are enclosed with this letter. The balance of cash, amounting to 37 cents per share, will for the present be held by the Trustees as a reserve for possible contingencies pending final determination of taxes and other obligations. It is the expectation of the Trustees that this reserve will prove more than ample, and that, after such determination, a second, and final, distribution can be made to shareholders upon surrender of certificates representing their shares of beneficial interest in this Trust. Surrender of certificates at the present time is not necessary.

SEC Applications For Broker Dealer Registry

The following applications for registration as brokers and dealers have been made the SEC on the dates indicated:

March 16, 1942—E. P. White, 1722 South Cincinnati Street, Tulsa, Okla., Ellsworth Page White, sole proprietor.

March 19, 1942—John M. Hayner, 435 Forest, Shreveport, La., a sole proprietorship; Clarence Willard Robinson, City Bank Building, Shreveport, La., doing business as C. W. Robinson, a sole proprietorship.

March 21, 1942—Ader & Berley, 11 Park Place, New York, N. Y., Alexander Berley and George S. Ader, partners.

March 23, 1942—Wesley Hall & Company, 1007 Fifth Avenue, San Diego, Calif., C. Wesley Hall, sole proprietor.

March 26, 1942—Euler and Company, 1518 Walnut Street, Philadelphia, Pa., Joseph D. Euler, sole proprietor; J. B. Greer, 617 City Bank Building, Shreveport, La., a sole proprietorship.

March 27, 1942—John Culbertson, 1815 Cedar Street, Casper, Wyo., a sole proprietorship; Flannery-Jackson & Company, Inc., 506 Union National Bank Building, Youngstown, Ohio, J. Carroll Manning, an officer, in addition to Joseph C. Flannery, Stacy T. Jackson, and Arthur Morgan; Leo Jacobs, 1673 Walton Avenue, New York, N. Y., a sole proprietorship; Hamilton Russell Platner, 209 Ford Street, Ogdensburg, N. Y., a sole proprietorship.

March 28, 1942—Gordon Graves & Company, 30 Broad Street, New York City, Gordon R. Graves, sole proprietor, Robert B. Stringfellow, Richard B. Cowan and Harold A. Penningroth having withdrawn as partners; W. R. Snead, 112 Atkins Street, Shreveport, La., a sole proprietorship.

March 30, 1942—Vanderpoel Adriance, Jr., 14 Wall Street, New York City, a sole proprietorship; Hammond & Spencer, 316 South Cheyenne, Tulsa, Okla., John Whitten Hammond and Thomas Dougherty Spencer, partners; Russell Sage Medley, 409 Melton Street, Longview, Tex., a sole proprietorship.

March 31, 1942—Rose L. Morey, 83½ West Pearl Street, Nashua, N. H., a sole proprietorship; G. L. Ohrstrom & Co., 40 Wall Street, New York, N. Y., George Lewis Ohrstrom sole proprietor; Syle and Company, 19 Rector Street, New York, N. Y., Leslie F. Tarbell, sole proprietor, John J. Fitz Gerald having withdrawn from partnership in the firm.

Fire & Casualty Data

An interesting booklet has been prepared by Mackubin, Legg & Company, 22 Light Street, Baltimore, Md., members of the New York and Baltimore Stock Exchanges, giving comparative data on the principal fire and casualty insurance stocks as of Dec. 31, 1941. Also included are comparative tables of net premiums written in 1940 and 1941. Copies of the booklet may be had from Mackubin, Legg & Co. upon request.

Stott Renominated As N. Y. Exch. Chairman

The Nominating Committee of the New York Stock Exchange announced on April 13 the nominations for positions on the Board of Governors to be filled at the annual election on May 11. Robert L. Stott, a partner of the specialist firm of Wagner, Stott & Co., was renominated to be Chairman of the Board of Governors for another one-year term. He has been a Governor of the Exchange since 1935 and a member of the Exchange since 1929.

Of the nine Governors whose terms of office expire with the coming election, three were renominated. They are Robert J. Hamershlag, a partner of Hamershlag, Borg & Co.; George R. Kantzler a partner of E. F. Hutton & Co., and James J. Minot, senior partner of the Boston firm of Jackson & Curtis. One retiring trustee of the Gratuity Fund was also renamed—John K. Starkweather, senior partner of Starkweather & Co.

The full list of nominations follows:

For Chairman of the Board of Governors

Robert L. Stott, Wagner, Stott & Co. For the term of one year.

For Nine Members of the Board of Governors

Three members of the Exchange residing and having their principal places of business within the metropolitan area of the City of New York:

Robert J. Hamershlag, Hamershlag, Borg & Co. For the term of three years.

George R. Kantzler, E. F. Hutton & Co. For the term of three years.

Raymond Sprague, Raymond Sprague & Co. For the term of three years.

Three allied members or non-members residing and having their principal places of business within the metropolitan area of the City of New York, who are general or limited partners in member firms engaged in a business involving direct contact with the public:

John C. Maxwell, Tucker, Anthony & Co. For the term of one year.

Murray D. Safanie, Shearson, Hammill & Co. For the term of three years.

Radcliffe Swinnerton, R. Swinnerton & Co. For the term of one year.

Three members or allied members or non-members of the Exchange residing and having their principal places of business outside of the metropolitan area of the City of New York, who are general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one is a member of the Exchange:

Percy W. Brown, Hornblower & Weeks (Cleveland). For the term of three years.

William W. Cabell, Branch, Cabell & Co. (Richmond). For the term of three years.

James J. Minot, Jackson & Curtis (Boston). For the term of three years.

For Two Members of the Gratuity Fund

John Rutherfurd, at Reynolds, Fish & Co. For the term of three years.

John K. Starkweather, Starkweather & Co. For the term of three years.

For Five Members of the Nominating Committee

Three members of the Exchange:

Robert W. Keelips, Ware & Keelips. For the term of one year.

Coleman B. McGovern, Gude, Winmill & Co. For the term of one year.

Charles A. Sulzbacher, L. F. Rothschild & Co. For the term of one year.

Two allied members of the Exchange:

Charles S. Garland, Alex. Brown & Sons (Baltimore). For the term of one year.

Ranald H. MacDonald, Dominick & Dominick. For the term of one year.

Geo. Voevodsky With Paul H. Davis & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—George Voevodsky has become associated with Paul H. Davis & Co., 10 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Voevodsky was formerly Vice-President of V. P. Oatis & Co., Inc., and prior thereto for many years was with Brown Brothers Harriman & Co.

Case For Selected RRs

Distribution is being made by Halsey, Stuart & Co. Inc., 201 South La Salle Street, Chicago, Ill., of a new folder entitled "The Case for Selected Railroad Bonds." The booklet argues for a more open-minded approach to the investment merits of selected railroad bonds, particularly on the part of those whose investment experience has been gained almost wholly during a period when other types of bonds have had priority in the investment markets.

The booklet presents the pro and con of major railroad problems and concludes that "(1) There will always be a place in the field of transportation for at least the better situated railroads and, at the worst, for certain important traffic loads.: (2) The new importance of military preparedness growing out of the changed world situation points toward added importance, and possibly some increased traffic, for the rails. (3) The 'war prosperity' of the railroads should, if long continued, go far toward entrenching the carriers so that they would be better able to combat substantial reverses if they later develop; likewise, improved operating methods and revised shipping and travel habits brought about by the war might rebound to their advantage in a later period. (4) Existing more understanding and sympathetic attitude toward the railroads on the part of both the public and the regulatory bodies suggests more equitable consideration of the just claims of the railroads than has sometimes been evident in the past. (5) Really remarkable progress has been made in the operating efficiency and strengthened capital position of many of the railroads in recent years."

Three groups of bonds are recommended for those who put security of principal and reasonably assured income first in their selections, namely, "(1) the mortgage obligations of strong companies whose solvency has not been in question even during the most difficult days of the depression period, (2) the senior mortgage obligations of selected marginal railroads which give promise of maintaining their income and prior lien status even under adverse future conditions, and (3) the fixed interest obligations of selected lines whose organization has been completed and whose lien position and earnings protection have been completed and whose lien position and earnings protection have been improved by reason of reduction in capitalization."

In addition to those general aspects of the railroad situation, suggestions are given for the selection of specific companies and the obligations of those companies measuring up to strictly investment requirements.

Pacific Coast Business Readjusting For War Of Several Years' Duration

Newest survey of key business opinion on the Pacific Coast reveals expectation of over-all moderate activity gains during the next six months, while adjustments are being made on the basis that the war will last about two and a half years.

Strassburger & Co., pioneer San Francisco stock brokers, have just completed their 13th semi-annual questionnaire survey, supplementing its weekly index of Pacific Coast Business Activity.

For the coming six months the survey brought out that:

(1) Business is expected to gain 4.2% over the same period a year ago. This would be a new high for the coming fall season but would be about 7.4% below the six months recently ended.

(2) Employment will gain only 1% but payrolls will jump 7.2%.

(3) Business leaders are basing their plans on the war lasting about 2½ years more.

(4) Activity would decline but moderately if a favorable peace were suddenly achieved.

(5) A 6.3% rise in the general price level is predicted.

The length of war anticipated by business men ranged from one year to "five years at least." Public utility and transportation men expect the war to last longest, about four years, whereas merchants and those in the lumber business are basing business projections on a war lasting under two years.

The effect of a quick peace favoring the United Nations brought out the expected answers in many cases. For example, merchants petroleum men, and those connected with printing, publishing and advertising would expect their business to improve. Lumber, manufacturing, and food product concerns would feel a drop in new orders immediately, but for awhile after peace they would be working on business already booked. Consequently, although a decline would take place, it probably would not be an immediate collapse.

One executive pointed out that the war stimulation has brought an influx of population to the Pacific Coast, much of which will be permanent. Hence, any postwar decline in business will be supported by filling the normal needs of an enlarged population.

Much comment was evoked relative to future levels. Many leaders were resigned to accept current price ceilings, but several indicated that increased costs of labor and taxes would call for an upward revision of prices as already fixed by the Office of Price Administration.

In connection with price controls, a number of individuals suggested that the passage of labor legislation resembling the Smith Bill was necessary if price inflation was to be held down.

This survey is less optimistic than the twelfth semi-annual poll conducted last fall. At that time, 74% of those replying to the questionnaire predicted an increase in business activity; this time only 56% are bullish on business. Unquestionably, one large factor in the relatively pessimistic forecast is the realization on the part of businessmen that a period of consolidation and readjustment is immediately ahead. Sharp gains have been made since last October, available employment has been utilized and capacity operations are the rule. It will now be a possibility that general activity will slow down temporarily as industry makes the transition from producing for normal consumer needs to total all-out war production. Both plant and worker must be converted—such conversion will mean a temporary overall reduction in total output, relative to the tremendous activity of the last six months.

Scope of Survey

Questions asked in the thirteenth semi-annual Strassburger survey were:

1. What percentage change do you expect during the coming six months ending Sept. 30, 1942, as compared with the half year ended Sept. 30, 1941:

a. In the rate of activity in your business field on the Pacific Coast?

b. In total employment in your business?

c. In total payrolls in your business?

2. Upon what length war, from present date, are you basing your business projections?

3. If the war ended with peace dictated by the United Nations, what would be the effect on your business?

4. If applicable to your business, what do you anticipate the trend of prices to be?

5. Additional comments.

Employment and Payrolls Forecast

Little change is anticipated in total employment, a 1% gain being forecast. Obviously, although aviation, shipbuilding, and other heavy war industries will expand as much as possible, workers will have to be taken from other nonwar fields to supply labor for the all-out program.

Payrolls will rise about 7.2% according to the survey. It is interesting to note that this prediction is in line with the combined forecast of (1) the 1% increase in employment, and (2) a 6.3% rise in the general price level.

Executive Comment

Several steel fabricators pointed out that their businesses would decline because of priorities. In one case, raw materials are not available in spite of an A-1-A priority rating. On the whole, however, there was very little complaint about the conduct of the system of priorities.

"The canned food industry," as one observer puts it, "will gain sharply on an overall basis, but Government allotments will reduce commercial business, especially with regard to tonnage. Increased commercial prices will make up for loss in tonnage, however."

Two rather optimistic predictions are these: (1) "Long term effect of war activity on the Pacific Coast will mean permanent increase in population of this area," and (2) "Victorious end of war would, to some extent, restore our export business, but reduce domestic volume — each about equalizing the other."

A typical comment from consumer's durable goods manufacturers was the following: "Business will decline as our goods are durable capital goods. We are gradually converting to war business."

On the realistic side are these quotations from two Bay Area executives: "War must be won quickly, or our national financial policy will ruin business and us," and "The war will last a long time —losses very great—inflation is certain—as result of large government borrowings."

Northwest Optimistic

Stimulus of the War Program is having its greatest relative effect in the Pacific Northwest. Gains for the period ahead in Washington and Oregon are forecast at 8.9% above last year. This compares with the 4.2% gain predicted for the entire West Coast area.

Apparently the period of adjustment is expected to slow down Los Angeles business. Ordinarily very optimistic because of the ever-increasing influx of new population into Southern California, Los Angeles executives are reversing themselves for the period immediately ahead. Decline of about 3% is anticipated reflecting the effect of the changeover period, curtailed travel resulting from rubber shortage, and other disrupting influences of the war situation.

San Francisco Bay and Sacramento-San Joaquin Valley Areas predict average gains in business.

Little change is forecast in overall employment, but Valley employers anticipate the sharpest rise in payrolls. The Northwest is second in this respect, with San Francisco next and Los Angeles in fourth position.

Coal & Iron Co. Attractive

According to a circular just issued by Schooonover, deWillers & Co., Inc., 120 Broadway, New York City, the current situation in Philadelphia & Reading Coal & Iron Co. 5s of 1973 and 6s of 1949 offers exceptionally attractive possibilities, particularly for retail. (The company is in the process of reorganization.) Copies of the circular may be had upon request from Schoonover, deWillers & Co.

Oil Royalties Interesting

An interesting list of current offerings of oil royalties as filed with the Securities and Exchange Commission has been prepared by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. Copies of the list may be had upon request from Tellier & Co.—ask for Schedule "A."

STANY S. F. Bonds Called

The Security Traders Association of New York announces that more of the sinking fund bonds have been called — last digits eliminated are 17, 27, 37, and 97.

Federal Taxation Of Local Housing Bonds

In reply to a letter from Lehman Brothers inquiring whether the recent recommendations of the Secretary of the Treasury that the interest on outstanding State and municipal bonds be made subject to Federal income taxation included bonds of local housing authorities, the Treasury Department has replied as follows:

> Local housing authorities are, of course, not instrumentalities of the United States and the matter of the tax status of their obligations must therefore be determined independently of that of Federal instrumentalities. The United States Housing Act of 1937 provides, however, that the interest on obligations of local housing authorities "shall be exempt from all taxation now or hereafter imposed by the United States," which provision distinguishes these obligations sharply from the ordinary obligations of State and local governments, with respect to which exemption from Federal income taxation has been extended by statute only on an annual basis.
>
> It appears, therefore, that outstanding obligations of local housing authorities occupy a special position and they are consequently not included in the scope of the Treasury Department's recommendation that the interest on outstanding State and local obligations generally should be subjected to Federal income taxation. The Treasury's recommendation does, however, apply to future issues of local housing authorities.

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Tomorrow's Markets Walter Whyte Says—

(Continued from page 1525)

fill, that a rally is in the making and the stocks which ran highest on the previous rally, and did not break resistance levels on the subsequent decline, will turn around and repeat their previous performance. This never works out so often that it can be called a rule. As a matter of fact, nothing in the market works out often enough to be reduced to a formula, yet it works often enough to watch for it. On setbacks, however, certain points called resistance levels make their appearance. It is these that constitute so called stops.

* * *

Now I know, that stops in present day markets don't mean much. The spreads between bids and offers are so wide that even carefully conceived stops may prove a hazard rather than a help. Still, with the market so thin and the world in flames, it is the only insurance a speculator has. So until something better comes along all purchases should be stopped. These may be mental or actual. The choice is immaterial. If the stops are taken, losses will result, but better small losses now than big losses later.

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Our Reporter On "Governments"

(Continued from First Page)

serve authorities approve of England's system and are interested in adopting something like it for United States consumption. . . .

Next Deal?

Until later this month, we'll have no definite news on the date of the next borrowing, for not even the Treasury knows when it will enter the market again. . . . There must be some borrowing in May, of course. . . . Although, if the Treasury confines its operations to another certificate of indebtedness issue and relies for the balance of the funds needed on discount bills and war bond sales, we can consider May another month of "breathing spell" for the long-term market. . . .

Best guess now is that May will be skipped—except insofar as short-terms are concerned. . . . Then, in June, Secretary Morgenthau will re-enter the long-term market with a truly long-term bond. . . . If the tap method of financing is adopted, the long-term market certainly will be used to some extent. . . .

Significant Figures

Just to give you an idea of how important it is for the Treasury to place its war-time borrowing on a "permanent," long-term basis, consider these estimates:

Between now and June 30, 1943, the public debt is expected to rise to $110,000,000,000. . . . By the end of 1943, the debt is expected to be at the legal limit of $125,000,000,000 (the one just set by Congress). . . . In the 12 months beginning July 1, 1942, the Treasury is expected to borrow from the public at least $33,000,000,000 and possibly several billions more. . . .

Certificates of indebtedness and discount bills and note issues may help solve the money market problem and round out bank portfolios. . . . But they're of virtually no significance when you think of these figures on borrowing-to-come. . . .

And carrying these statements to their logical conclusion would mean:

(1) The long-term market must be put into shape to absorb several long-term bond issues of unprecedented size. . . .

(2) Prices must be maintained at a level to allow the Secretary to finance in the long-term market at a 2½% interest rate—or even less. . . .

(3) The market must be geared to a long-term offering that will be bought on a large scale by all institutional investors. . . .

You can interpret these statements in terms bearing directly on your own portfolios. . . . From an intermediate point of view, they might be said to indicate that long-term securities today are in an upward trend. . . . Unless the news from abroad becomes so bad, that under the weight of fear-offerings alone, prices slip, we should see a steady-to-stronger price trend for some weeks. . . .

Inside The Market

So much talk around about the proper spreads between taxables and tax-exempts that even if the two lists were in balance, there would be reason to anticipate some revisions. . . . Direction is toward a wider spread with the change favoring the tax-exempts. . . .

Without setting any definite figures—say, forecasting a spread of 50 basis points on the 15-year taxables vs. tax-exempts as against a present spread of 25 basis points—you can feel confident about purchases of tax-exempts whenever purchases are indicated. . . .

Certificates quoted at a slight premium—with quotations in terms of 64ths, instead of 32nds. . . . No profit available in these. . . . Short-term stuff must be bought on a basis of holding to maturity or it shouldn't be bought at all. . . .

Most dealers optimistic about the near-term price outlook, despite date—it's spring and the war is on—and fact that they haven't heavy positions. . . .

Fact that positions are light is one reason for feeling optimistic. . . .

Wachob-Bender Elects

OMAHA, NEB. — Wachob-Bender Corporation, 212 South 17th Street, specialists in municipal and corporation bonds, announces the following changes in its officers: Frank J. Bender, President, is now also Chairman of the Board; J. Cliff Rahel has become First Vice-President and Treasurer; M. J. Warren and E. T. Volz are Vice-Presidents, and E. A. Fricke, Secretary.

Kenneth Crittendon With Merrill Lynch, Pierce

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Kenneth S. Crittendon has become associated with Merrill Lynch, Pierce, Fenner & Beane, Union Trust Company Building. Mr. Crittendon was formerly for many years with Westheimer & Co. in charge of the Grain Department.

Wallace With Otis

(Special to The Financial Chronicle)

DENVER, COLO. — Thomas R. Wallace has become associated with Otis & Company, first National Bank Building. Mr. Wallace was formerly with Merrill Lynch, Pierce, Fenner & Beane and prior thereto was with Earl M. Scanlan & Company and for nine years was sales manager for John G. Perry & Co., Inc.

A. D. Braham With OPM

A. D. Braham, formerly of the Investment firm of A. D. Braham & Co., Inc. announced that he has joined the staff of Economists in the Division of Analysis & Review of the Office of Price Administration, Washington, D. C. Mr. Braham was a former member of the New York Produce Exchange, Commodity Exchange of New York and Winnipeg Grain Exchange.

Norman Lewellyn Killed

Major Norman Lewellyn, who recently was decorated for gallantry in action with the U. S. Army Air Force in the Philippines, was killed in an airplane accident off the coast of India. Major Lewellyn was formerly associated with the Bankers Bond Co. in Louisville, Ky.

Paper Co. Looks Good

The current situation in First 5s of 1960 and common stock of the Minnesota & Ontario Paper Company is particularly interesting, according to a circular just issued by Adams & Company, 231 South LaSalle Street, Chicago, Ill. Copies of the circular, containing detailed information, may be had from Adams & Co. upon request.

UP-TOWN AFTER 3

PLAYS

"The Moon Is Down," by John Steinbeck; directed by Chester Erskin; presented at the Martin Beck Theatre, New York, by Oscar Serlin. Cast includes Ralph Morgan, Otto Kruger, Whitford Kane, Leona Powers, Jane Seymour, William Eythe, and others. . . . Despite the fact that the story deals with the invasion of an unnamed country by an unnamed power, it is a quiet drama that stresses a philosophy of passive resistance rather than exciting military heroics. Coming from a Steinbeck, who gave us the hard-hitting "Grapes of Wrath," this is a strange play. It asks us to believe that the invader is sinned against as much as sinning. True, the play has its dramatic moments and the competent cast purposely underacts to stress them. Yet in times like these when our emotions are so definitely involved it is difficult to regard the enemy with a "Forgive-them-for-they-know-not-what-they-do" attitude. In "The Moon Is Down," the conquerers are not brutal tyrants. They are pleasant, polite, even reasonable. It almost seems that the townspeople are the villians of the piece. Colonel Lanser (Otto Kruger) is a soldier who "suffers from civilization." He doesn't like his job but, being a soldier, does it. Mayor Orden (Ralph Morgan) is a gentle man of gentle words who though refusing to assist the invaders does nothing to fight them. The under officers are just boys away from home, lonesome and anxious for companionship. But their attempts to make friends with the natives are met with cold aloofness, stones, and sabotage. It is only when the British begin dropping dynamite by parachute that the reluctant colonel orders the shooting of the Mayor as a hostage. For a play that deals with an invaded Norway and an implacable enemy, Germany, though neither is named, it is disappointing. The two hostile forces seldom meet face to face. Reasonableness, gentleness and philosophic dissertations are common to both sides. Mr. Steinbeck obviously feels that a silent hate and passive resistence will eventually conquer. He sums it up in the theory that "herd men win battles, but free men win wars." . . . **Autumn Hill," by Norman Mitchell and John Harris, presented by Max Liebman, at the Booth, New York. Cast includes Beth Merrill, Jack Effrat, Elizabeth Sutherland, Clyde Franklin, and others. Staged by Ronald Hammond. . . .** A melodrama that winds its weary way without excitement. A lady dies, promising to leave her companion her New England home. But the will can't be found so the place goes to the next of kin, a young man who is the son of the sister the dead lady hated. However, he turns out to be different than pictured. He insists on keeping the companion. Everything might have worked out well if the young man didn't persist in competing with the Federal printing press. For he makes counterfeit money in the cellar. That's about all there is to it. At best it isn't much of a play and at worst, well, there isn't much excuse for it.

NEW YORK NIGHT LIFE

Last week the resplendent Cotillion Room opened its new show, consisting of Leonard Elliott, satirist; Yvonne Bouvier, singer, and Myrus, described as "cafe society mind reader." Elliott, a tall curley-headed chap, is a dynamo of crazy actions. What he does is so insane as to be indescribable. He pokes fun at stuffy opera singers; nancy lyric poets and affected concert performers with equal facility. It was this same Elliott who was once the sedate secretary to the "Wall Street Journal's" K. C. Hogate. Don't know what kind of a secretary he was but I do know, what was journalism's loss is now show business' gain. Miss Bouvier, an attractive blonde, sings well, if not distinguishably. And finally, there is the mysterious Myrus. How he got his name, only he knows, for he is an unassuming typical John Doe unlike a Swami as anything I can think of. Yet, whoever heard of a mind reader with a monicker like John Doe? But whatever his name, he is good. He asks the audience to write its questions on slips of paper, fold and give them to him. Then without reading them, he tears them up and not only answers the questions but outlines the problem that brought up the questions. The result is almost uncanny.

For some reason New York's West Side doesn't have many good restaurants. The reason may be mass production as against East Side restaurant's personalized attention. However, Riccardi's (132 W. 43d) is one of the exceptions. It's a pleasant place, specializing in Italian food and at prices that leave you enough to get home on. . . . **Recommended For Diversion Seekers . . .** The comic antics of Paula Laurence, who opens at the Ruban Bleu tonight. . . . The smooth dance music of Stanley Melba's outfit at the Cotillion Room. . . . Ann Lano's Latin dansants Wednesday nights at 640 Madison Avenue. . . . The rollicking carefree atmosphere at the chi-chi-El Morocco, where the twinkling electric stars look down on actual stars of the movies, the theatre and the business world. . . . The revival of Charlie Chaplin's "The Gold Rush," just as funny today as it was back in 1925. . . .

Carey With Sattley

(Special to The Financial Chronicle)

DETROIT, MICH. — William C. Carey has become associated with H. V. Sattley & Co., Inc., Hammond Building. Mr. Carey was formerly with J. J. Jennings & Co. and in the past conducted his own investment business in Detroit.

George Barnet Joins MacRae & Arnold Staff

(Special to The Financial Chronicle)

SEATTLE, WASH.—George T. Barnet, a member of the Seattle Stock Exchange, and formerly with the local office of Dean Witter & Co. for a number of years, has become associated with MacRae & Arnolds, 1411 Fourth Avenue Building.

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Calendar of New Security Flotations

OFFERINGS

AMPCO METAL, INC.

Ampco Metal, Inc., has filed a registration statement with the SEC for 166,667 shares common stock, $2.50 par

Address—Milwaukee, Wis.

Business—Company is engaged principally in the production and sale of aluminum bronze; also produces and sells a companion line of other bronzes, and furnishes other non-ferrous alloys meeting certain specifications

Underwriting—Van Grant & Co., Detroit, Mich., is the principal underwriter; names of the other underwriters will be supplied by amendment. Underwriting commission is $1.50 per share

Offering—The common stock registered will be offered to the public at a price of $7.50 per share

Proceeds will be applied as follows: $319,000 to pay for certain equipment and tools; $50,000 to payment of outstanding bank loan; purchase of $500,000 principal amount of U. S. Government tax anticipation notes, and balance for working capital

Registration Statement No. 2-4969. Form S-2. (3-18-42)

Offered—April 9, 1942, by Van Grant & Co., Alexander & Co., Ryan-Nichols & Co., Sills, Troxell & Minton, Inc., Bond & Goodwin Inc. of Ill. and Enyart, Van Camp & Co.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, APRIL 18

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75,000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29, 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares 4½% cumulative convertible preferred stock, $40 par; and 105,000 shares common stock, no par, the latter reserved for conversion of the preferred stock

Address—60 Boston St., Salem, Mass.

Business—Engaged in manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures, and other electronic products and certain chemical products directly or indirectly related to the foregoing. Regular and special products, to a large and increasing extent, are being supplied to the military services and for other war uses

Underwriters of the preferred stock, and the number of shares which each has agreed to underwrite, are as follows:

Jackson & Curtis, Boston	14,000
Lee Higginson Corp., Boston	10,000
Estabrook & Co., Boston	7,500
Merrill Lynch, Pierce, Fenner & Beane, New York	7,400
Putnam & Co., Hartford, Conn.	2,000
Hale, Waters & Co., Inc., Boston	1,600
Graham, Parsons & Co., New York	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share

Proceeds will be used for additional working capital

Registration Statement No. 2-4974. Form A2 (3-30-42)

ONTARIO NICKEL CORP., LTD.

Ontario Nickel Corp., Ltd., filed a registration statement with the SEC for 2,400,000 shares common stock, $1 par

Address—372 Bay St., Toronto, Canada

Business—This mining company owns six lease patents of mining claim in Strathy Township, Ontario, which is inactive at present. Also, holds an option to purchase certain mining properties in the Sudbury District, Ontario. Company plans to dismantle a portion of the mining plant set up on the Strathy property and move it to the Sudbury property and to produce nickel concentrates from the ore contained in the Sudbury ground, which will be marketed

Underwriting and Offering—The common stock will be sold to the public at the market, by George H. Johnson, Toronto

Proceeds will be used for development work, purchase of machinery and equipment, and for working capital

Registration Statement No. 2-4976. Form S-3 (3-30-42)

SUNDAY, APRIL 19

CANADA DRY GINGER ALE, INC.

Canada Dry Ginger Ale, Inc., filed a registration statement with the SEC for: 25,173 shares $5.50 cumulative convertible preferred stock, no par; an indeterminable number shares common stock $5 par (including Scrip Certificates for fractions of shares), to be reserved for issuance on conversion of the preferred; and Subscription Warrants (Full and Fractional) evidencing, in the aggregate, rights to subscribe for such 25,173 shares of preferred stock

Address—100 E. 42nd St., New York, N. Y.

Business—Engaged, directly or through subsidiaries, in the manufacture and distribution of ginger ale and other carbonated beverages in the U. S. and Canada, and in the distribution, and to a small extent the manufacture, of alcoholic beverages in the U. S.

Underwriting and Offering—The preferred stock will first be offered to company's common stockholders for subscription, in the ratio of one share of preferred for each 24 shares of common stock held. The stock of record date, date of expiration of the subscription offer, and the subscription price per share, will be supplied by amendment

The unsubscribed portion of such 25,173 shares preferred stock will be underwritten and offered to public, at a price to be supplied by amendment; underwriters are Union Securities Corp., New York, and Hornblower & Weeks, New York

Proceeds will be used to pay outstanding $1,100,000 bank loans, balance for working capital

Registration Statement No. 2-4977. Form A2 (3-31-42)

CARPENTER PAPER CO.

Carpenter Paper Co. filed a registration statement with the SEC for 5,000 shares of common stock, $1 par value

Address—Ninth & Harney Sts., Omaha, Neb.

Business—Company is engaged in the warehousing for sale at wholesale of paper and paper products of various description, distributed in 17 States west of the Mississippi River.

Underwriting—None

Offering—The 5,000 shares of common stock are being offered only to a group of officers and employees of the company, approved by the Board of Directors, at not more than $23 per share.

Proceeds will be used for working capital

Registration Statement No. 2-4978. Form A-2. (3-31-42)

INSURANCE INVESTORS FUND, INC.

Insurance Investors Fund, Inc., filed a registration statement with the SEC for an aggregate of $500,000 of cumulative periodic investment trust certificates and single total payment investment trust certificates

Address—824 Insurance Bldg., Seattle, Wash.

Business—This investment trust purchases stock of certain insurance companies, which is held by the trustee in a pooled fund Holder of a certificate in the fund receives in cash, at the end of ten years, the value of his proportionate interest in the fund as it then stands

Underwriting and Offering—The certificates wil be offered to the public by the company, at the market

Proceeds will be used for investment purposes

Registration Statement No. 2-4980. Form C-1. (3-31-42)

INSURANCE SECURITIES, INC.

Insurance Securities, Inc., has filed a registration statement with the SEC for participating agreements upon the single payment plan, series T, and accumulative plan, series D, in the face amount of $1,750,000, being the maximum aggregate deposits to be made thereunder

Address—416 13th St., Oakland, Cal.

Business—It is the purpose of this investment trust to sponsor a trust fund which provides a vehicle for investment both by smaller and larger investors in the common stocks of a group of 35 of the leading insurance companies in the United States

Underwriting and Offering—The participating agreements will be sold to the public by the company, at the market

Proceeds will be used for investment purposes

Registration Statement No. 2-4979. Form C-1. (3-31-42)

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is the principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

TUESDAY, APRIL 21

INTERNATIONAL HARVESTER CO.

International Harvester Co. filed registration statement with SEC for 225,000 shares common stock, no par

Address—180 N. Michigan Ave., Chicago, Illinois

Business—Company normally manufactures and sells four different types of products, (a) wheel and crawler type tractors and power units, (b) a wide variety of agricultural implements, (c) light and heavy duty motor trucks, and (d) miscellaneous products, principally steel and binder twine. The three principal phases of company's war effort are production of commercial types of trucks, tractors and other equipment for the Government; production of military adaptations of commercial types of these items; and production of totally new products for military purposes

Underwriting—Clark, Dodge & Co., New York, and Lee Higginson Corp., Chicago, are the principal underwriters; names of other underwriters will be supplied by amendment

Offering—The shares registered are already outstanding and are to be offered to the public for the account of following stockholders: Administrators of the Estate of Mary Virginia McCormick, deceased, 150,100 shares; Executors of the Estate of Harold F. McCormick, 74,900 shares. Public offering price by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4982. Form A-2. (4-2-42)

Amendment filed on April 13, 1942, naming the underwriters for the public offering of 225,000 shares of no par common stock, as follows:

	No. Shs. Underwritten
Clark, Dodge & Co., New York	22,500
Lee Higginson Corp., Chicago	22,500
A. C. Allyn & Co., Inc., Chicago	3,000
Bacon, Whipple & Co., Chicago	3,000
A. G. Becker & Co., Inc., Chicago	2,500
Biddle, Whelen & Co., Philadelphia	2,000
Blair, Bonner & Co., Chicago	5,000
Blyth & Co., Inc., New York	8,000
Alex. Brown & Sons, Baltimore	2,000
Central Republic Co., Inc., Chicago	2,500
E. W. Clark & Co., Philadelphia	2,000
Curtiss, House & Co., Cleveland	2,000
Paul H. Davis & Co., Chicago	2,000
Dillon, Read & Co., New York	12,000
Dominick & Dominick, New York	4,000
Drexel & Co., Philadelphia	3,000
Eastman, Dillon & Co., New York	2,500
Estabrook & Co., Boston	2,000
Farwell, Chapman & Co., Chicago	2,000
First of Michigan Corp., Detroit	2,000
Glore, Forgan & Co., Chicago	8,000
Goldman, Sachs & Co., New York	4,000
Graham, Parsons & Co., Phila.	2,000
Harriman Ripley & Co., Inc., N. Y.	8,000
Harris, Hall & Co., Inc., Chicago	3,000
Hayden, Miller & Co., Cleveland	2,000
Hayden, Stone & Co., New York	2,000
Hemphill, Noyes & Co., New York	2,500
Hornblower & Weeks, New York	2,500
W. E. Hutton & Co., New York	3,000
Illinois Co. of Chicago	2,000
Jackson & Curtis, Boston	2,500
Kebbon, McCormick & Co., Chicago	2,000
Kidder, Peabody & Co., New York	4,000
Lazard Freres & Co., New York	3,000
Laurence M. Marks & Co., N. Y.	2,000
Merrill Lynch, Pierce, Fenner & Beane, New York	4,000
Morgan Stanley & Co., New York	12,000
F. S. Moseley & Co., Boston	5,000
Newhard, Cook & Co., St. Louis	2,000
Paine, Webber & Co., New York	2,500
Shields & Co., New York	3,000
Smith, Barney & Co., New York	10,000
Stone & Webster and Blodget, Inc., New York	3,000
Spencer Trask & Co., New York	4,000
Tucker, Anthony & Co., New York	2,500
Union Securities Corp., New York	3,000
White, Weld & Co., New York	3,000
Whiting, Weeks & Stubbs, Inc., Boston	2,000
The Wisconsin Co., Milwaukee	3,000
Dean Witter & Co., San Francisco	4,000
Wood, Struthers & Co., New York	3,000

WEDNESDAY, APRIL 22

SHENANGO VALLEY WATER CO.

Shenango Valley Water Co. filed registration statement with SEC for 7,000 shares 5% cumulative preferred stock, $100 par

Address—Sharon, Pa.

Business—This subsidiary of Consumers Water Co. supplies water service principally in the city of Sharon, Mercer County, Pa.

Underwriting and Offering—The 5% preferred stock will first be offered to holders of the outstanding 6% preferred stock, in an exchange offer, details of which will be supplied by amendment. Such of the shares of 5% preferred as are not issued under the exchange offer will be underwritten and sold to the public, at a price to be supplied by amendment. H. M. Payson & Co., Portland, Me., is the principal underwriter; names of the other underwriters will be supplied by amendment

Proceeds will be used to redeem all of the outstanding unexchanged 6% preferred stock, to pay the cash adjustment called for by the offer of exchange, to pay whole or part of outstanding $236,000 of notes payable of company, and to provide funds for completion of plant additions and improvements

Registration Statement No. 2-4983. Form A-2. (4-3-42)

SUNDAY, APRIL 26

MAPLE-KISSENA REALTY CORP.

Voting trustees of company filed a registration statement with the SEC for Voting Trust Certificates covering 7,315 shares of capital stock, $1 par

Addresses—Voting trustees: c/o Axel J. Swensen, 149 Cherry Ave., Flushing, New York. Corporation: 70 Pine St., New York, N. Y.

Business — Corporation operates the Yorkshire Gardens Apartment Building, in New York City

Offering—The voting trustees propose to issue voting trust certificates representing such capital stock to evidence extension of the voting trust agreement from June 10, 1942, present expiration date, to June 19, 1947

Registration Statement No. 2-4984. Form F-1 (4-7-42)

WEDNESDAY, APRIL 29

THE AMERICAN TOBACCO CO.

The American Tobacco Co. filed a registration statement with the SEC for $100,000,000 of 20-year 3% debentures, due April 15, 1962.

Address—111 Fifth Ave., New York, N. Y.

Business—Company and its subsidiaries are engaged in business of manufacturing and selling cigarettes, smoking and chewing tobaccos, and cigars. Principal product of company is "Lucky Strike" cigarettes

Underwriters, and principal amount underwritten by each, are as follows:

Morgan Stanley & Co., N. Y.	$5,000,000
A. C. Allyn & Co., Chicago	500,000
Almstedt Brothers, Louisville, Ky.	100,000
Auchincloss, Parker & Redpath, Washington	150,000
Bacon, Whipple & Co., Chicago	200,000
Baker, Watts & Co., Baltimore	200,000
Baker, Weeks & Harden, N. Y.	200,000
Bear, Stearns & Co., New York	150,000
A. G. Becker & Co., Inc., Chicago	600,000
Biddle, Whelen & Co., Phila.	100,000
Blair & Co., New York	600,000
Blair, Bonner & Co., Chicago	200,000
Blyth & Co., New York	4,100,000
Bodell & Co., Providence	250,000
Boettcher & Co., Denver	100,000
Bosworth, Chanute, Loughridge & Co., Denver	100,000
Alex. Brown & Sons, Baltimore	400,000
Burns, Potter & Co., Omaha	100,000
Butcher & Sherrerd, Philadelphia	100,000
H. M. Byllesby & Co., New York	150,000
Central Republic Co., Chicago	500,000
E. W. Clark & Co., Philadelphia	400,000
Clark, Dodge & Co., New York	1,500,000
Coffin & Burr, Boston	500,000
Courts & Co., Atlanta	100,000
Curtiss, House & Co., Cleveland	100,000
J. M. Dain & Co., Minneapolis	100,000
Paul H. Davis & Co., Chicago	150,000
R. L. Day & Co., Boston	200,000
Dick & Merle-Smith, New York	500,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	200,000
Dixon & Co., Philadelphia	100,000
Dominick & Dominick, N. Y.	1,500,000
Drexel & Co., Philadelphia	2,000,000
Francis I. du Pont and Chisholm & Chapman, New York	150,000
Eastman, Dillon & Co., New York	1,500,000
Elkins, Morris & Co., Phila.	400,000
Equitable Securities Corp., Nashville	400,000
Estabrook & Co., Boston	1,250,000
Clement A. Evans & Co., Atlanta	100,000
Evans, Stillman & Co., New York	150,000
Fahey, Clark & Co., Cleveland	100,000
Farwell, Chapman & Co. Chicago	150,000
Ferris & Hardgrove, Seattle	100,000
Field, Richards & Co., Cincinnati	100,000
First Boston Corp., New York	4,100,000
First of Michigan Corp., Detroit	300,000
First Trust Co., Lincoln, Neb.	100,000
Folger, Nolan & Co., Washington	150,000
Robert Garrett & Sons, Balt.	100,000
Glore, Forgan & Co., Chicago	1,000,000
Goldman, Sachs & Co., N. Y.	4,100,000
Graham, Parsons & Co., Phila.	400,000
Green, Ellis & Anderson, N. Y.	200,000
Hallgarten & Co., New York	750,000
Harriman Ripley & Co., N. Y.	4,100,000
Harris, Hall & Co., Chicago	750,000
Hawley, Shepard & Co., Cleve.	150,000
Hayden, Miller & Co., Cleveland	400,000
Hayden, Stone & Co., N. Y.	750,000
Hemphill, Noyes & Co., N. Y.	1,500,000
Hill & Co., Cincinnati	100,000
J. J. B. Hilliard & Son, Louisville	150,000
Hornblower & Weeks, New York	1,500,000
W. E. Hutton & Co., New York	1,500,000
Illinois Co., Chicago	200,000
Indianapolis Bond & Share Corp., Indianapolis	100,000
Jackson & Curtis, Boston	600,000
Janney & Co., Philadelphia	100,000
Johnson, Lane, Space & Co., Savannah	100,000
Kalman & Co., Inc., St. Paul	150,000
Kean, Taylor & Co., New York	300,000
Kebbon, McCormick & Co., Chic.	200,000
Kidder, Peabody & Co., N. Y.	4,100,000
Kirkpatrick-Pettis Co., Omaha	100,000
Laird, Bissell & Meeds, Wilmington	150,000
W. W. Lanahan & Co., Balt.	150,000
W. C. Langley & Co., New York	500,000
Lazard Freres & Co., New York	2,650,000
Lee Higginson Corp., New York	2,650,000
Lehman Brothers, New York	4,100,000
Carl M. Loeb, Rhoades & Co., New York	150,000
W. L. Lyons & Co., Louisville	100,000
Mackubin, Legg & Co., Baltimore	150,000
Laurence M. Marks & Co., N. Y.	500,000
Mason-Hagan, Inc., Richmond	200,000
A. E. Masten & Co., Pittsburgh	150,000
McDonald-Coolidge & Co., Cleve.	150,000
Mellon Securities Corp., Pitts.	4,100,000
Merrill Lynch, Pierce, Fenner & Beane, New York	1,500,000
Merrill, Turben & Co., Cleveland	150,000
Milwaukee Co., Milwaukee	200,000
Mitchum, Tully & Co., San Fran.	200,000
Moore, Leonard & Lynch, Pitts.	300,000
F. S. Moseley & Co., Boston	2,650,000
Maynard H. Murch & Co., Cleve.	100,000
W. H. Newbold's Son & Co., Philadelphia	250,000
Newhard, Cook & Co., St. Louis	150,000
Newton, Abbe & Co., Boston	150,000
Ohio Co., Columbus	200,000
Paine, Webber & Co., Boston	600,000
Parrish & Co., Philadelphia	150,000
Arthur Perry & Co., Boston	300,000
Piper, Jaffray & Hopwood, Minneapolis	100,000
R. W. Pressprich & Co., N. Y.	600,000
Putnam & Co., Hartford	200,000
Reinholdt & Gardner, St. Louis	150,000
Reynolds & Co., New York	250,000
Riter & Co., New York	400,000
Robinson-Humphrey Co., Atlanta	150,000
E. H. Rollins & Sons, New York	1,250,000
L. F. Rothschild & Co., N. Y.	500,000
Salomon Brothers & Hutzler, New York	750,000
Schoellkopf, Hutton & Pomeroy, Inc., Buffalo	400,000
Schwabacher & Co., San Fran.	200,000
Scott & Stringfellow, Richmond	250,000
Chas. W. Scranton & Co., New Haven	200,000
Shields & Co., New York	750,000
I. M. Simon & Co., St. Louis	100,000
Singer, Deane & Scribner, Pitts.	300,000
Smith, Barney & Co., N. Y.	4,100,000
Smith, Moore & Co., St. Louis	150,000
William R. Staats Co., Los Ang.	250,000
Starkweather & Co., New York	200,000
Stein Brothers & Boyce, Balt.	200,000
Stein Brothers & Co., Kan. City	200,000
Stone & Webster and Blodget, Inc., New York	2,000,000
Stroud & Co., Philadelphia	200,000
Lowry Sweney, Inc., Columbus	100,000
Swiss American Corp., N. Y.	350,000
Townsend, Dabney & Tyson, Bos.	100,000
Spencer Trask & Co., N. Y.	750,000
Tucker, Anthony & Co., N. Y.	750,000
Union Securities Corp., N. Y.	2,650,000
J. D. Van Hooser & Co., Lexington	100,000
G. H. Walker & Co., St. Louis	300,000
Watling, Lerchen & Co., Detroit	100,000
Webster & Gibson, Nashville	100,000
Weeden & Co., San Francisco	150,000
Wells-Dickey Co., Minneapolis	250,000
Wertheim & Co., New York	250,000
White, Weld & Co., New York	2,000,000
Whiting, Weeks & Stubbs, Inc., Boston	350,000
Wisconsin Co., Milwaukee	750,000
Dean Witter & Co., San Fran.	750,000
Yarnall & Co., Philadelphia	150,000

Offering—The debentures will be offered to the public, at a price to be supplied by amendment to registration statement. The maximum proposed offering price, based on the filing fee paid SEC by company, is 104.

Proceeds from sale of the debentures, together with other funds of company to the extent necessary, are to be applied to payment of the outstanding $12,977,000 of 2.45% serial debentures, due serially to 1948, the outstanding $16,000,000 of 2% notes payable to banks, due serially to 1945, and the outstanding short-term notes payable to banks aggregating $75,500,000 as of April 10, 1942, thus positioning company for purchases of its requirements of leaf tobacco

Registration Statement No. 2-4985. Form A-2 (4-10-42)

SATURDAY, MAY 2

EAST TEXAS SALT WATER DISPOSAL CO.

East Texas Salt Water Disposal Co. filed a registration statement with the SEC for 19,750 shares common stock, $100 par value

Address—706 Citizens National Bank Bldg., Tyler, Tex.

Business—Incorporated on Jan. 20, 1942, under laws of State of Texas. Business of company will be the gathering, storing and impounding of water containing salt and other substances produced in the drilling and operation of oil wells in the East Texas oil fields, and the prevention of the flow of such water into streams. Company's outstanding common stock is owned principally by a group of seven large oil companies.

Calendar of New Security Flotations

Underwriting and Offering—The common stock will be offered to the public direct by the company, through its officers and employees, at $100 per share. There will be no underwriting.

Proceeds will be used for working capital and corporate purposes.

Registration Statement No. 2-4986. Form A-1 (4-13-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendments filed Nov. 21, Dec. 8, and Dec. 26, 1941, to defer effective date

Amendments filed Nov. 21, Dec. 8, Dec. 26, 1941, Jan. 12, Jan. 29, Feb. 7, Feb. 16 and March 5, 1942 to defer effective date

ATLANTIC CITY ELECTRIC CO.

Atlantic City Electric Co. filed a registration statement with the SEC for 62,000 shares of Cumulative Preferred Stock, $100 par; dividend rate will be furnished by amendment

Address—Atlantic City, N. J.

Business—This subsidiary of American Gas & Electric Co. is engaged in the generation, transmission, distribution and sale of electric energy in the southern part of New Jersey, including Atlantic City, and is also engaged in furnishing hot water heating service in a limited area in Atlantic City and steam for heating to two customers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

Public offering price, and the names of the underwriters, will be supplied by amendment

Proceeds from sale of the 62,000 shares new preferred stock, plus a capital contribution in cash of $2,500,000 to be made to company by American Gas & Electric Co., the parent company, will be used for following purposes: $3,059,200 to purchase from American Gas & Electric Co. 30,592 shares of $6 preferred stock (at its cost); $3,153,960 to be deposited with the redemption agent, for the redemption of 26,283 shares of $6 preferred stock (to be called for redemption at $120 per share), outstanding in the hands of the public; $2,500,000 to discharge open account indebtedness to American Gas & Electric Co.; and the balance for corporate purposes

Registration Statement No. 2-4941. Form A2 (2-2-42)

Registration Effective 12:30 p.m. E. War Time on Feb. 14, 1942.

Public Invitation for Proposals—No bids were received Feb. 24 for the issue. Groups formed to compete for the shares withdrew in the face of the general market uncertainty.

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

Amendments filed Feb. 27 and March 16, 1942, to defer effective date

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission 15%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendments filed Dec. 3, Dec. 31, 1941, Jan. 19, Feb. 25 and March 12, 1942, to defer effective date

CALIFORNIA DE-TINNING CORP.

California De-Tinning Corp. filed a registration statement with the SEC for 234,000 shares of $1 par common stock

Address—Los Angeles, Cal.

Business—Company is engaged in the reclaiming and processing of tin

Underwriters—Quincy Cass Associates

Offering—The common stock will be offered to the public at $1 per share

Proceeds will be used to pay for organization expenses, a detinning plant and for working capital

Registration Statement No. 2-4956 Form A1 (3-2-42—San Francisco)

CELANESE CORPORATION OF AMERICA

Celanese Corporation of America filed a registration statement with the SEC for $7,522,000 of 3½% Convertible Debentures, due March 1, 1962, and an indeterminable number of shares of no par common stock (including scrip certificates for fractions of shares), latter to be reserved for issue upon conversion of the Debentures

Address—180 Madison Ave., New York

Business—Principal business of company is the manufacture and sale at wholesale of cellulose acetate yarns and fabrics containing such yarns under the registered trademark "Celanese" and under other trademarks owned by the company

Underwriting and Offering—The debentures will first be offered to company's common stockholders, via subscription rights, for subscription at the rate of $1,000 principal amount of the Debentures for each 183 shares of common stock held of record on the effective date of the registration statement. The subscription price per share will be supplied by amendment. The Subscription Warrants will be exercisable on or before 3 p.m. Eastern War Time on April 6, 1942. Such of the Debentures as are not subscribed for under this offer, will be sold to the public through underwriters, at a price to be supplied by amendment.

Names of the underwirters, and the maximum amount of the Debentures to be underwritten by each, are:

Dillon, Read & Co., New York	$1,222,000
Glore, Forgan & Co., New York	700,000
A. C. Allyn & Co., Inc., Chicago	50,000
A. G. Becker & Co., Inc., Chicago	75,000
Blyth & Co., Inc., New York	300,000
Alex Brown & Sons, Baltimore	125,000
Central Republic, Inc., Chicago	75,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	50,000
Equitable Securities Corp., New York	50,000
Estabrook & Co., Boston	75,000
First Boston Corp., New York	450,000
Graham, Parsons & Co., Philadel.	50,000
Harriman Ripley & Co., Inc., New York	300,000
Harris, Hall & Co., Inc., Chicago	75,000
Hayden, Miller & Co., Cleveland	75,000
Hayden, Stone & Co., New York	75,000
Hemphill, Noyes & Co., New York	200,000
Hornblower & Weeks, New York	125,000
W. E. Hutton & Co., New York	75,000
Kebbon, McCormick & Co., Chicago	50,000
Kidder, Peabody & Co., New York	200,000
W. C. Langley & Co., New York	150,000
Lee Higginson Corp., New York	150,000
Lehman Bros., New York	350,000
Laurence M. Marks & Co., New York	75,000
Mellon Securities Corp., Pittsburgh	350,000
Merrill Lynch, Pierce, Fenner & Beane, New York	250,000
F. S. Moseley & Co., Boston	75,000
Otis & Co., Cleveland	75,000
Riter & Co., New York	150,000
E. H. Rollins & Sons, Inc., N. Y.	125,000
Salomon Bros. & Hutzler, N. Y.	125,000
Shields & Co., New York	300,000
Smith, Barney & Co., New York	300,000
Tucker, Anthony & Co., Boston	75,000
Union Securities Corp., New York	200,000
White, Weld & Co., New York	150,000
Whiting, Weeks & Stubbs, Inc., Boston	50,000
The Wisconsin Co., Milwaukee	125,000
Dean Witter & Co., San Francisco	50,000

Proceeds—Purpose or purposes to which the proceeds will be applied, are to be supplied by amendment

Registration Statement No. 2-4962. Form A-2 (2-11-42)

Offering Deferred—Company announced March 25 that it had postponed for the time being offering to holders of common stock of proposed bond issue, due to problem arising in connection with British stockholders

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s. 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18, Dec. 6, Dec. 24, 1941, Jan. 12, Jan. 31, Feb. 19 and March 10, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956, and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27, Dec. 15, 1941, Jan. 2, Jan. 20, Feb. 6, Feb. 24 and March 13, 1942, to defer effective date

GILLHAM MINING CO., INC.

Gillham Mining Co., Inc., filed a registration statement with the SEC for 5,000 shares common stock, no par value

Address—30 No. La Salle St., Chicago, Ill.

Business—Engaged in the mining of antimony ore in Mineral Township, Sevier County, Arkansas

Underwriting and Offering—The 5,000 shares of common stock will be sold to the public at $5 per share; no underwriting involved.

Proceeds will be used for corporate purposes, including further developing and exploring of properties now owned by the company

Registration Statement No. 2-4964. Form S-3 (2-12-42)

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment filed April 10 to defer effective date

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendments filed Jan. 8, Jan. 24, Feb. 2, Feb. 25 and March 14, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941 Jan. 2, Jan. 21, Feb. 7, Feb. 26 and March 16, 1942, to defer effective date

Illinois Commercial Telephone Co. on March 19, 1942, filed an amendment to its registration statement disclosing that it now proposes to offer to the public $5,750,000 first mortgage 3½% bonds, due March 1, 1972. Previously, in original registration statement filed on Oct. 24, 1941, company had proposed to sell $5,750,000 of first mortgage 3⅜% bonds, due 1971, and 24,000 shares of $5 cumulative preferred stock, no par value

Proceeds from sale of the $5,750,000 of first mortgage 3½% bonds, due 1972, together with other funds of the company, are to be used to retire the outstanding $5,750,000 of first mortgage series A 3¾% bonds, due 1970

Underwriters of the 3½s of 1972, and the principal amount which each has agreed to underwrite, are: Bonbright & Co., New York, $2,875,000; Paine, Webber & Co., New York, $2,156,000; Mitchum, Tully & Co., Los Angeles, Cal., $719,000

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co and Chesapeake & Potomac Telephone Co of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former. 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941, Jan. 9, Jan. 27, Feb. 14, and March 2, 1942

KLINE BROTHERS COMPANY

Kline Brothers Co. filed a registration statement with the SEC for $322,300 of 5% sinking fund notes, due May 1, 1952, and registration statement for certificates of deposit to be issued to holders of outstanding 5% notes of company, under plan of exchange

Address—132 W. 31st St., New York, N.Y.

Business—Operates 19 retail department stores located in various cities in Illinois, Michigan, Ohio, Iowa, Missouri, Pennsylvania and Georgia, selling merchandise of the character generally sold in small department stores

Offering—The new 5% notes will first be offered, par for par, in exchange for the outstanding 5% notes due Dec. 31, 1943, and May 1, 1944; latter noteholders, depositing under the exchange plan, will receive equal amount of certificates of deposit. Such of the new notes not issued in exchange for the outstanding 5% notes, will be sold to public, at 100 and accrued interest

Underwriting — Illinois Securities Co., Joliet, Ill., is the underwriter of the notes not issued under exchange plan

Proceeds will be used to retire all outstanding 5% notes of company

Registration Statements No. 2-4966 (D-1A, covering certificates of deposit) and 2-4967 (A2, covering new notes). (3-16-42)

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

Amendment filed April 9, 1942, to defer effective date

LIPE-ROLLWAY CORP.

Lipe-Rollway Corp. filed a registration statement with the SEC for 80,000 shares $1 cumulative convertible preferred stock, $10 par, and 160,000 shares class A stock, $1 par, latter reserved for issue upon conversion of the preferred stock

Address—208 S. Gedded St., Syracuse, N. Y.

Business—Incorporated in 1924 as W. C. Lipe, Inc., on March 16, 1942, the name was changed to Lipe-Rollway Corp. Part of the proceeds of this financing is intended to be used for acquisition by the company of all or at least a majority of the outstanding stock of Rollway Bearing Co., Inc., of Syracuse, N. Y. Business of the company, including that of Rollway Bearing Co., Inc., includes the manufacture and sale of machine tools, reamers, cutters, clutches, clutch parts, bearings, etc.

Underwriter—Barrett Herrick & Co., Inc., New York, is the sole underwriter

Offering—The preferred stock will be offered to the public at $14 per share; the underwriting commission is $2.10 per share

Proceeds will be used in part to acquire all or as many shares as possible of the outstanding capital stock of Rollway Bearing Co., Inc., the balance will be used for additional working capital

Registration Statement No. 2-4971. Form A-2. (3-23-42)

Amendment filed April 10, 1942, to defer effective date.

LINK-BELT CO.

Link-Belt Co. filed a registration statement with the SEC for 33,604 shares common stock, no par value

Address—307 N. Michigan Ave., Chicago, Ill.

Business—Company is engaged, normally, in the design, manufacture, sale and erection of elevating, conveying, material preparation and power transmission machinery and the manufacture and sale of castings

Underwriting and Offering—The shares registered are held by the company in its treasury, and are to be offered only to a selected group of officers and employees of the company at $26.48 per share

Proceeds of $888,600 will be used to reimburse the treasury of the company for the moneys expended by it in the acquisition of such shares, and to provide funds for additional working capital

Registration Statement No. 2-4960. Form A-2 (3-10-42)

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock, $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendments filed Jan. 10, Jan. 26, Feb 11, Feb. 28 and March 16, 1942, to defer effective date

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and other to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary

PUBLIC SERVICE CO. OF INDIANA, INC

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption within 40 days after issuance of the bonds of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

No bids for the purchase of the bonds were received on Dec. 16, 1941

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

Amendments filed Dec. 16, 1941, Jan. 3, Jan. 22, Feb. 10 and Feb. 27, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed March 2, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendments filed Nov. 25, Dec. 13, Dec. 31, 1941, Jan. 19, Feb. 7, and Feb. 26, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed March 10, 1942, to defer effective date

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., filed a registration statement with the SEC for 5,000 shares Class A common stock, $1 par value, and 60,000 shares Class B common stock, $1 par value

Address—Danville, Va.

Business—Company markets Panax Processed Pinehurst cigarettes, manufactured for company under its Panax Process by Axton-Fisher Tobacco Co., Inc. The Panax Process acts as a hygroscopic or moisture retaining agent. Panax is a demulcent—soothes the membranes of the throat, and is tasteless and oderless

Underwriting and Offering—The shares will be offered to the public at a price of $5 each for each class of stock. John W. Yeaman, Martinsville, Va., who was named as underwriter, withdrew on Jan. 31, 1942

Proceeds will be used for plant additions, for purchase of additional equipment, and for working capital

Registration Statement No. 2-4928. Form A1 (1-9-42)

Registration effective 4:45 p.m., E. S. War Time, on March 2, 1942

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2. from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1 (8-27-41)

Amendment filed Feb. 11 to defer effective date.

TREASURE MOUNTAIN GOLD MINING CO.

Treasure Mountain Gold Mining Co. filed a registration statement with the SEC for 150,000 shares common stock, 25 cents par value

Address—Denver, Colo.

Business—Company has been organized to develop and operate gold and silver mines on Treasure Mountain, in San Juan County, Colo.

Underwriting—None

Offering—Company will sell such shares directly to the public, at a price of 50 cents a share

Proceeds will be used for working capital

Registration Statement No. 2-4937. Form S3 (1-23-42)

Amendment filed Feb. 11 to defer effective date

TUNG GROVE DEVELOPMENT CO., INC.

Tung Grove Development Co., Inc., filed registration statement with the SEC for Contracts for sale of land and development of tung groves thereon, aggregating $450,000

Address—Ocala, Fla.

Business—Engaged in the planting, cultivation and care of tung groves on lands of others under contract or upon orders from such owners, in Marion and Citrus Counties, Fla. Business is now being expanded to include the purchase, sub-division and sale of lands in these counties for development in tung groves

Underwriting—Details of underwriting or distributing method to be employed, will be supplied by amendment

Offering—Company will offer, through the Contracts, land suitable for tung grove development, together with its contract for the clearing, planting and development of a tung grove thereon, in units of not less than 10 acres at a total price of $45 per acre, payable one-fourth down and the balance in 3 equal annual payments

Proceeds for working capital, as payment for land sold and for development work and materials

Registration Statement No. 2-4935. Form S2 (1-28-42)

Registration Effective but apparently deficient at 4.45 p.m. E. S. War Time on Feb. 16, 1942. A hearing set before the SEC for March 3 postponed to March 31, 1942. Hearing at Ocala, Fla.

Request to withdraw registration statement filed April 13, 1942.

VINCO CORPORATION

Vinco Corporation has filed a registration statement with the SEC for 104,000 shares common stock, $1 par

Address—Detroit, Mich.

Business—Engaged in manufacture and sale of hardened and ground tools and gauges, including lapped high precision gauges and tools, involute spline gauges, master gears, gear tooth gauges and index plates, which now comprise the major portion of the company's business

Offering—The shares registered will be initially offered by the company to holders of its common stock for subscription, pro rata, in ratio of 2 shares for each 3 shares held; such of the shares are not issued upon exercise of the subscription rights, will be sold to the public. The stock of record date, and expiration date of the subscription offer, will be supplied by amendment.

Stock will be offered to stockholders at $3.50 per share and unsubscribed shares through underwriters at same price.

Underwriting—A. M. Kidder & Co., New York, is the sole underwriter

Purpose—Net proceeds will be initially added to working capital, to be used principally to meet the increased demand for working funds which has resulted from expansion of company's business and the further expansion of company's business expected to occur upon completion of the plant, construction of which is now contemplated by company as agent for Defense Plant Corp.

Registration Statement No. 2-4972. Form A2 (3-26-42)

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts from $320,000 to $390,000); 70,000 shares 5½% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendments to defer effective date filed Dec. 26, 1941, Jan. 10, Jan. 31, Feb. 19 and March 5, 1942

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares. National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923 Form A2. (12-29-41)

Amendment filed March 14, 1942, to defer effective date

Tax Effect On Ins. Stocks

A detailed memorandum has been issued by Huff, Geyer & Hecht, Inc., 67 Wall Street, New York City, discussing the effect of the proposed higher income taxes on insurance stocks. The memorandum considers the present exemptions and contains an interesting comparative table of 1941 operating earnings adjusted for effect of the proposed higher taxes. According to Huff, Geyer & Hecht, under the most drastic proposals of the Treasury, providing for normal taxes and surtaxes aggregating 55% on corporation earnings, the aggregate 1941 operating profits of the 84 fire and casualty insurance companies considered would be reduced by only 9.1%, if the privilege of deducting capital losses from other taxable earnings is retained, or only 13.9% if capital losses are made non-deductible.

Copies of the memorandum, and also a leaflet giving comparative figures on several insurance stocks which the firm recommends, may be obtatined from Huff, Geyer & Hecht upon request.

NYSE Borrowings

The New York Stock Exchange announced on April 4 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business March 31 aggregated $330,361,019, a decrease of $9,391,439 as compared with the Feb. 28 total of $339,752,458.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges reported by New York Stock Exchange member firms as of the close of business March 31, 1942, aggregated	$330,361,019
The total of money borrowed, compiled on the same basis, as of the close of business Feb. 28, 1942, was	339,752,458

Payment On Danish Bonds

Henrik Kauffmann, Danish Minister in Washington, issued on April 9 the following statement for the information of holders of Kingdom of Denmark 20-year 6% external gold bonds, due Jan. 1, 1942; 30-year 5½% external loan gold bonds, due Aug. 1, 1955; and 34-year 4½% external loan gold bonds, due April 15, 1962; City of Copenhagen 25-year 5% gold bonds, due June 1, 1952: and 25-year 4½% gold bonds, due May 1, 1953; Danish Consolidated Municipal Loan 30-year 5½% external sinking fund gold bonds, due Nov. 1, 1955; and 25-year 5% external gold bonds, due Feb. 1, 1953; Mortgage Bank of the Kingdom of Denmark 45-year 5% sinking fund external gold bonds series IX, of 1927, due Dec. 1, 1972:

> For the purpose of paying Apr. 15, 1942, coupons of Kingdom of Denmark 34-year 4½% external loan gold bonds, due Apr. 15, 1962, May 1, 1942, coupons of City of Copenhagen 25-year 4½% gold bonds, due May 1, 1953, and May 1, 1942, coupons of Danish Consolidated Municipal Loan 30-year 5½% external sinking fund gold bonds, due Nov. 1, 1955, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other tnan residents of Denmark, of bonds of these three issues.
>
> Apr. 15 and May 1, 1942, coupon payments will be subject to such licenses as may be granted to paying-agents by the United States Treasury.

On Auto Council

George Romney, Managing Director of the Automotive Council for War Production, Detroit, announces the appointment of James Cope, manager of the Washington office of the Automobile Manufacturers Association, as head of the Council's Washington Reporting Service. This bureau was established to answer the needs of government for industry data and to report to the automotive companies on developments affecting the industry's war efforts. It was also announced that William H. McGaughey, who has been editor of "Automobile Facts," becomes manager of the Council's public relations department, and that Harlan V. Hadley, head of the Detroit office of the "Wall Street Journal" is joining the public relations staff as director of information services.

NYSE Short Interest Higher On March 31

The New York Stock Exchange announced on April 8 that the short interest existing as of the close of business on the Mar. 31 settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 513,546 shares, compared with 489,223 shares on Feb. 27, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Mar. 31 settlement date, the total short interest in all odd-lot dealers' accounts was 71,578 shares, compared with 76,596 shares, on Feb. 27.

The Exchange's announcement further said:

> Of the 1,238 individual stock issues listed on the Exchange on Mar. 31 there were 31 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.
>
> The number of issues in which a short interest was reported as of Mar. 31, 1942, exclusive of odd-lot dealers' short position, was 424 compared with 447 on Feb. 27, 1942.
>
> In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1940—	
Apr. 29	530,594
May 31	428,132
June 28	446,957
July 31	479,243
Aug. 30	474,033
Sept. 30	517,713
Oct. 31	530,442
Nov. 29	515,548
Dec. 31	459,129
1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546

Iron & Steel Trades Up 36% Over March, 1941

Industrial activity in Canada remained unchanged at mid-March at 164 (1937=100), while the percentage of current factory capacity utilized fell from 116 at mid-February to 115, according to A. E. Arscott, General Manager of the Canadian Bank of Commerce, Toronto.

"The iron and steel trades recorded a further increase in activity, the general rate being about 36% above that in March 1941, with the largest increase for the past month occurring in the heavy section, now concerned chiefly with government orders," Mr. Arscott's report continued. "Slight declines in the medium and light sections and in the automotive trades indicate a further restriction of civilian goods not yet fully offset by war output.

"Our wage payroll index for February was 178 (1937=100) compared with 185 for January and 141 for February 1941. The decline from January was due to the fewer working hours in the month, but compared with February a year ago manufacturing payrolls record an increase of 31% and all payrolls one of 26%.

"These increases, however, are less than those of February 1941 over the corresponding month of 1940, namely 40 and 33% respectively. In fact, the monthly rate of increase over the previous year, which rose in the autumn of 1940 and reached its height in the late spring and early summer of 1941 (namely 50% for manufacturing payrolls and 45% for those of all industries and trades) has since tapered off, until it is now more in line with the similar long-term increase in employment, largely the result of government wage regulations.

"Foodstuffs declined moderately, but not below the level of a year ago, the main recessions being in cereals, confectionery and canned goods. A slight rise is shown in the clothing group, mainly leather footwear, men's furnishings and women's clothing."

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 13 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated April 15 and to mature July 15, 1942, which were offered on April 10, were opened at the Federal Reserve Banks on April 13. The following details of this issue are revealed:

Total applied for	$311,219,000
Total accepted	150,073,000

Range for accepted bids (excepting two tenders totaling $150,000):

High—99.960. Equivalent rate approximately 0.158%.

Low—99.922. Equivalent rate approximately 0.309%.

Average Price 99.929. Equivalent rate approximately 0.281%.

(16% of the amount bid at the low price was accepted.)

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The Amazing Achievement of the Chicago City Railways and the Chicago Railways Companies

(Continued from page 1522)

curtailment of automobiles and other war restrictions, alert dealers are taking advantage of the fact that present prices of these bonds seem to be considerably out of line compared to their real value.

CHICAGO SURFACE LINES SYSTEM

The following table shows proposed distribution of securities of proposed new company in exchange for outstanding securities of both the surface lines and elevated companies:

Issue—	Amount Outstanding	Mtge. Bonds	Pref. Shares	Common Shares
Chicago Railways:				
First mortgage 5s	$41,741,250	$750	---	---
Consolidated mortgage 5s A	15,696,600	---	31.0	9.0
Consolidated mortgage 5s B	16,934,405	---	11.6	30.6
Purchase money 4s	3,969,155	---	18.9	22.5
Adjusted income 4s	2,379,137	---	5.4	34.8
Capital stock	1,000 shares	---	---	90.0
Chicago City Railways:				
First mortgage 5s	27,644,550	850	---	---
Capital stock	8,999 shares	---	1.95	2.55
Calumet and South Chicago Railway:				
First mortgage 5s	3,332,550	650	---	---
Chicago City Connecting Railway:				
Sinking fund 5s	20,616,000	---	22.7	25.5
Preferred shares	250,000 shares	---	---	.42
Common shares	150,000 shares	---	---	.03

CHICAGO RAPID TRANSIT

Issue—	Amount Outstanding	Mtge. Bonds	Pref. Shares	Common Shares
Secured Claims:				
Union El. first 5s	$3,202,000	$220	15.6	2.5
Union El. cons. 5s	407,000	220	15.6	2.5
Northwest El. 5s	9,439,000	220	15.6	2.5
Metropolitan first 4s	9,999,806	150	17.0	2.0
Metropolitan ext. 4s	4,432,000	150	17.0	2.0
Chicago Rapid Tr. 6½s	10,316,200	100	13.68	9.8
Chicago Rapid Tr. 6s	8,033,400	100	13.68	9.5
General Claims:				
Chicago Rapid Tr. deb.	18,561,800	---	---	2.3
Notes payable	1,472,893	---	---	2.3
General indebtedness	3,289,615	---	---	2.3
Prior Preferred Stock:				
Series A ($100 par)	4,995,500	---	---	1.0
Series B ($100 par)	1,500,000	---	---	1.0
Common stock ($1 par)	198,629	---	---	.0314

Initial capitalization of the new company, with provision for the new First Mortgage Bonds in the same amount as the total of the present three outstanding first mortgage issues, assuming that full exchange of surface lines and elevated securities would be made, would be as follows:

Capitalization of New Company:	
First mortgage 30-year sinking fund 5s, series A	$72,718,350
First mortgage income 5s, series B	7,002,290
5% preferred stock	98,285,068
Common stock	*1,342,760 shares

*Exclusive of 5,897,104 shares reserved for conversion of preferred stock.

The court has authorized the proposed plan to be submitted by mail to the bondholders. It is understood that this was done on April 14 and it is expected that a tabulation of the vote will be submitted to the court sometime early in May.

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NYSE Govs. Approve Revising Dues, Fees

The Board of Governors of the New York Stock Exchange at a meeting on April 9 approved a proposed constitutional amendment providing for a comprehensive revision of the rates of membership dues and other charges payable to the Exchange by members and member firms. The amendment, which had been recommended by Emil Schram, President of the Exchange, is now before the membership for adoption or rejection. If approved, the proposed changes will become effective after April 23. In his advices to the members under date of April 10, Mr. Schram said:

> The amendment is part of a broad program which I have recommended to the Board to establish the revenues of the Exchange on a sound and equitable basis, by providing for a fairer allocation of charges among members and member firms in relation to the services and benefits received. It is not the purpose of the proposed amendment to produce any net increase in the revenues of the Exchange. Although the amendment provides for a new charge based on the commission revenues of members and member firms, proposed reductions in other charges will offset the income from this source and the rate of this new charge and the amount which the Exchange might receive during any calendar year from this source would be definitely limited by constitutional provisions.

Details of the changes which it is proposed to make in the general schedule of charges were given in our issue of April 2, page 1321. In setting out the changes on April 10, Mr. Schram said:

> It should be noted that the proposed charge on commissions is to be computed on "net commissions" received and retained on business transacted on the New York Stock Exchange; in other words, introducing firms or members would pay only on the portion of the commissions received by them; a firm carrying accounts would pay only on the commissions retained after the payment of "splits" and floor brokerage; a floor broker or specialist would pay the charge on the commissions he received from other members and firms; an individual member similarly would pay on his share of commissions on Exchange business.
>
> The program submitted is flexible. The proposed charges would be reduced as the Exchange's business revives. The Exchange is continuing its program of retrenchment, which has already resulted in material improvement in the Exchange's financial position. I believe that the Exchange must continue realistically to adjust its operations to the changing volume of our business and must continue to find means of reducing expenses, wherever reduction is possible without impairing essential services. At the same time, the allocation of Exchange charges among members and firms must be fair. It is to correct present disparities that this program is submitted.

Kennedy & Loomis Join Blyth & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Arthur L. Loomis and Dean M. Kennedy have become associated with Blyth & Co., Inc., 215 West Sixth St. Both were formerly connected with Dean Witter & Co., Mr. Kennedy as manager of their Westwood Village office, and Mr. Loomis in the past in charge of the Beverly Hills office.

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Phillips Trading Mgr. For Lyons In Cincinnati

CINCINNATI, OHIO — W. L. Lyons & Company, 115 E. Fourth Street, announce the appointment of George H. Phillips as Manager of their trading department.

Mr. Phillips is well known throughout the country among the trading fraternity, having had continuous experience in all branches of the business for the past 17 years. He joined the firm of W. L. Lyons & Company in 1938.

He is a Vice-President of the Cincinnati Stock & Bond Club, which is a member of the National Association of Security Dealers of America.

Investment Problems In War Time, Discussion

"Investment Problems in Wartime" will be discussed by Rudolph L. Weissman of Heartt and Weissman, 61 Broadway, New York City, at the New School for Social Research on Tuesday evening, April 21, at 8:20. Mr. Weissman is Chairman with A. Wilfred May of the weekly symposium, The World of Finance in Wartime, in which leading financiers and Government officials have taken part.

Allen Sapp Is With Blair In Philadelphia

PHILADELPHIA, PA.—Blair & Co., 123 South Broad Street, announce that Allen D. Sapp has become associated with their municipal bond department. Mr. Sapp is well known throughout the country as one of the leading specialists in Pennsylvania municipal bonds. For the past eight years he has been with Merrill Lynch, Pierce, Fenner & Beane and prior to that time with the municipal department of E. H. Rollins & Sons Philadelphia office as manager.

Frank J. McCall Now With J. F. Reilly Co.

Frank J. McCall has become associated with J. F. Reilly & Co., 50 Broad Street, New York City. Mr. McCall was formerly in the trading department of the New York ofifce of J. W. Sparks & Co., where he specialized in bonds, and was in the bond trading department of Dyer, Hudson & Co. and G. H. Walker & Co. In the past he was with McClure, Jones & Co. and the Shawmut Corporation of Boston.

William Clark With Paine, Webber & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—William H. Clark is now connected with Paine, Webber & Co., Terminal Tower Building. Mr. Clark was formerly assistant manager of the municipal department of Merrill, Turben & Co., and prior thereto was with Mitchell, Herrick & Co. and the Cleveland Trust Co.

Final Edition THURSDAY **In 2 Sections – Section 2**

The COMMERCIAL & FINANCIAL CHRONICLE

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Reserve Banks Report On Business

Indications of the trend of business in the various Federal Reserve districts is reported in the following extracts which we give from the "Monthly Review" of the Federal Reserve Districts of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

First (Boston) District

The Federal Reserve Bank of Boston reports in its "Monthly Review" of Apr. 1 that the volume of general business activity in New England during February was slightly less than the level which prevailed in January, after allowances had been made for customary seasonal changes, but was materially higher than in the corresponding month last year.

The bank's summary further said:

> The building industry, which was at a low volume in January, increased considerably in February. The sales volume of 119 department stores and apparel shops in New England during February was 18.1% higher than in February a year ago.
>
> Total revenue freight carloadings in New England during the four-week period ending Mar. 14 amounted to 110,485, exceeding the total of 105,584 during the corresponding four-week period last year by 4.6%.
>
> During February the amount of raw cotton consumed by mills in New England was 107,893 bales, as compared with a total of 114,727 bales in January and 94,225 bales in February a year ago.
>
> Production of boots and shoes during February in New England is estimated to have been 13,987,000 pairs, a decrease of 1.4% below the January total and also less than in February last year by 0.7%.

Second (New York) District

The Federal Reserve Bank of New York, in its April 1 "Monthly Review," says that "judging from

(Continued on Page 1544)

FROM WASHINGTON
AHEAD OF THE NEWS

By CARLISLE BARGERON

To enjoy such Battles of the Century as that which Washington recently offered between Jesse Jones and Eugene Meyer, you ought to have the background. Plenty of advance publicity, human interest stuff, reams of copy about its being a grudge fight, usually precede the New York championship fights but the Jones-Meyer setto slipped up on us so quietly that there was no opportunity whatsoever to ballyhoo it. We could have written plenty about the grudge between the two principals. It goes way back to the Hoover days.

Hoover, who created the RFC, was having difficulty getting it through the Senate. Old Carter Glass gave an added twist to his mouth and allowed that bedamned if he would permit Hoover to have this much authority. But he had a great admiration for Eugene Meyer. Meyer worked on him and told him that everything would be all right because he, Meyer, was to be the boss of it. When Carter allowed that this would probably be all right, Meyer reported to Hoover. The latter said this presented a rather embarrassing situation as he had planned to make Charlie Dawes the head. But to appease Glass he decided to make Meyer, who was governor of the Federal Reserve Board, the chairman and Dawes the president. For the first few weeks Dawes and Meyer wrangled continually about who was the boss. One day on a showdown Meyer won on a particular issue which he took to proclaim him the boss. Jones, a member of the board, voted against him.

Meyer, therefore, looks upon the RFC as his baby. Nevertheless, Jones is the one who has developed it and everybody who knows anything about the RFC has long associated it with Jesse. Nobody recalls that Meyer had anything to do with it. This irks the publisher no end. His resentment against Jesse has increased with the years and he seldom loses an occasion to needle the Texan in his paper. His editorial, which caused Jesse to take him by the lapel of the coat and shake his glasses off, was particularly trenchant and decidedly unfair.

(Continued on Page 1543)

One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

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THE FINANCIAL SITUATION

One of the strong elements of democracy lies in the fact that all individuals and all groups have the right and the opportunity to speak their minds freely, and that important general decisions are in the last analysis, broadly speaking, made by the people themselves, who presumably have studied all the pros and cons and arrived at their own conclusions. One of the weak elements is found in the susceptibility of the rank and file to "slogans" and catch phrases of all types. Thus it often happens that important matters of policy turn on a sort of motto contest not at bottom greatly dissimilar to those conducted at intervals by large distributors of consumers' goods. There have been many examples throughout our history, particularly perhaps during the past decade or two, but what prompts these generalizations at this particular moment is the propaganda now being disseminated by certain powerful labor union groups under the heading "Equality of Sacrifice."

Those who are inclined to dismiss this campaign—for campaign it evidently is—as of no great consequence would do well to think again, and while they are thinking again they might review the trend of opinion in Washington as revealed in recent dispatches from that city. Of course, the discriminating student of current affairs will at once stop to inquire what the precise meaning of these words, "Equality of Sacrifice," is, and when he does so he will quickly find that the question is much more easily asked than answered. If he is acquainted with the history of economic thought he will at once recall a similar, and certainly not alien, concept which has now become almost a fetish when the principles of taxation are under consideration. It is: "Ability to Pay." With a slow smile, perhaps—for the effort certainly has not been crowned with startling success—he will consider the long endeavor of professional economists to give concrete and practical meaning to this phrase, a "project" which dates from the days of Adam Smith, more than a century and a half ago.

(Continued on Page 1540)

American Industry As Teacher

Our people have learned by bitter disillusionment and costly mistakes that there are no substitutes for the productive processes. Nostrums, no matter how fancy the packages they come in, do not work. It augurs well for the future that we have gained this experience the hard way. It ought to put us on our guard when the planners seek again to tempt us into easy paths.

To those of you who are wondering what you can do to protect our system of initiative from the dangers to which I have alluded, let me say this: we have witnessed in the last few months a remarkable demonstration of the power of public opinion in this country. The people are in revolt against inertia, against incompetence, against defeatism and against those forces and influences that jeopardize their cherished institutions.

Time and again, a command or an admonition has come from the people and has been instantly obeyed. Wherever there is an expression of the national will, we may be sure that it will prevail. Next to winning the war and winning the peace, the greatest responsibility which we have is to preserve our American way of life, which revolves around the system of initiative and enterprise.

The test of that system is the creation of more and more wealth, and not the dissipation or confiscation of existing wealth. This is the philosophy which we must defend. This is the fundamental premise of the democracy we are struggling to uphold.—Emil Schram.

If the American people have thoroughly learned these things, they have already won a victory scarcely less vital than the defeat of our enemies abroad.

And if they have learned them, or if they do presently learn them, American industry has been or will be the teacher.

Price Fixing Flayed By Dr. Spahr As One Of Black Chapters In Human History

Speaking at the luncheon session of the Controllers Institute of America, held in connection with its Eastern Spring War Conference, at the Waldorf-Astoria Hotel, Dr. Walter E. Spahr, Professor of Economics, New York University, and Executive Secretary of the Economists' National Committee on Monetary Policy, laid down a program designed to aid in winning this war and in bringing this country through in a manner that will insure that we shall have in the end economic and political democracy and a republican form of government, and avoid a financial collapse and social and economic revolution.

His chief recommendations were that we keep first things first, that adequate armament come first and that civilian production come second, but that both be encouraged in every way possible. He thought that there were probably unwise and unnecessary interferences with civilian production that contributed nothing toward winning the war and merely weakened us domestically when we should be as strong as possible.

He expressed fears regarding the current enthusiasm for price fixing in this country, suggested that we proceed with more care and understanding regarding the possible unhappy consequences, and pointed out that the chief attention seemed to be concentrated more upon the extent to which prices are controlled than upon whether production is increased or decreased or impaired or dislocated. He said that the lessons of experience teach that Government price-fixing efforts of the type we have embraced, with certain exceptions, constitute one of the black chapters in human history.

"I do not believe," Dr. Spahr declared, "we are saying to ourselves today that we must make ourselves as strong as necessary in armament and as strong as possible in civilian production. Although I cannot possibly know enough about what is and is not essential in arming ourselves as quickly as possible, I gather a disconcerting impression, from such information as I obtain, that there is too little concern being shown regarding the maintenance, to say nothing of the expansion, of civilian enterprise the impairment of which would contribute nothing to our arming. In fact, there seems to be a considerable amount of unwise and unnecessary interference with civilian production, and the reasons for this seem far from clear or adequate.

"In the light of what appears to be a strong trend in this direction, I should like to suggest as a principle to be borne in mind that the stronger we are domestically, provided everything possible and necessary is being done to arm ourselves quickly and effectively, the better able shall we be to fight this war to a successful conclusion and to do it without ending up in a financial and social collapse.

"If it is true that the primary consideration is greater production—armament first and civilian second—then a question arises as to whether our enthusiasm for price fixing does not need to be tempered considerably and its possible or probable consequences examined with greater care. If it can be demonstrated that price fixing impairs production where a rise in prices would expand it, then we are faced with the question of which is of greater importance—increased production or stable prices. In every case I should urge greater production as the primary consideration.

"It is my impression that common and almost general praise of price fixing in this country today concerns itself chiefly with the extent to which prices have not risen, and that it practically never shows any concern or knowledge as to whether production has increased or decreased or is impaired or dislocated, or as to what other unfortunate consequences exist or are invited.

"Unless we watch this matter of price fixing more carefully, and concern ourselves more with an increase in production and less with the stability of prices, I fear that this Nation may learn once again, and with very serious consequences, an old lesson regarding the evils of Government price fixing. We seem to have forgotten that the lessons of experience teach that price fixing efforts of governments, except as a means of regulating monopolies, constitute one of the black chapters in human history—a chapter that is replete with instances of man's extreme inhumanity to man.

"We seem to be paying insufficient attention to the fact that prices are fundamentally indicators recording the state of supply and demand, and that tampering with an indicator, while the forces of supply and demand are distorted, is equivalent to manipulating a thermometer or tying down a safety valve which is supposed to let off an excessive amount of steam and to act as a warning or guiding signal. Furthermore, price fixing of the type commonly proposed today tends to point toward a repression, not an expansion, of production. It invites a distortion of supply and demand, priorities, dislocations, bankruptcies, subterfuges, substitution of inferior qualities and materials, black markets, licensing, rationing, penalties, cheating, lying, crime, Government buying and selling, a rampant bureaucracy, Government inspection and supervision everywhere — the possibility of our Nation being plunged into a state of moral, ethical, and economic degeneration and degradation.

"How any one can demonstrate that the sad consequences, resulting from widespread price fixing by our Government, will not exceed those experienced in a sharp rise of prices and a probable subsequent reaction is not clear, nor are serious attempts being made to demonstrate how these assumed greater gains are assured. We have apparently simply assumed that price fixing will bring more benefits than harm. Much, if not practically all, of the current agitation for price fixing appears to rest upon fears, hopes, guessing, and wishful thinking rather than upon the lessons of experience. What it is in human experience or the principles of economics that warrants the current insistence upon price fixing is not clear to me, and I do not think that the advocates of price fixing make this clear. The fact that other Nations are now trying price fixing on a large scale does not, in my opinion, prove that it is a wise undertaking.

"Increased production, in the heavy goods industries under pressure of the war demand for these goods, causes rising prices. These rising prices in many if not most of these instances induce greater production, direct goods and services into those channels in which demand is most intense, increase employment, and produce greater income and more taxes for the Government. These are natural and proper sequences, and they should be interfered with only with the greatest care if we really wish to do first things first. In our attempts to block these natural sequences we may find to our dismay that we are meddling with economic principles which should have been capitalized as a means of strengthening ourselves in our efforts to win this war and win it quickly.

"When it can be demonstrated that sharply rising prices, because of absolute scarcities, cannot induce greater production, it might possibly be the case that the economy to the Government, due to price fixing in these instances will yield a greater social gain than loss. This probably is true in the case of some of our strategic and absolutely scarce war commodities. But even in these instances great care should be exercised lest serious mistakes will be made. A sharp rise in price of very scarce or absolutely scarce goods might induce substitutes to appear which might not be foreseen. Furthermore, a sharp rise in prices tends quickly to force people to forego the purchase of these unusually scarce goods, and the higher prices should yield higher profits which should produce more revenue for the Government. The common argument that unless we have price fixing and rationing the rich will grab these high-priced scarce goods is not weighty in the face of the more important considerations—namely, greater production and the winning of the war as quickly as possible, plus the evils and costs of price fixing and rationing.

"Scarcity is merely a relative thing; so long as any good commands a price it is scarce. Therefore the currently popular notion that prices should be fixed because certain goods are very scarce finds no good support in economics. And even in the case of absolutely scarce goods support for price fixing on these particular grounds is lacking. Such support must be found on other grounds, and they are of a highly questionable character.

"Since we embarked upon our program of price fixing, how often have we read such statements as the following from the New York 'Times' (Dec. 13, 1941): 'The figures for production of copper so far this year indicate that in that industry when prices are frozen, production also is frozen'? Or, as one observes the great supply of scrap iron and steel lying unused throughout this country, in the face of the Government's constant stressing of the scarcity of iron and steel, how can one assume that if prices were sufficiently high this waste scrap would not be drawn into use?

"It impresses me as a peculiar thing that so many people who have vigorously fought for preservation of economic and political democracy in this country have demanded, and are now demanding, with equal or greater vigor, widespread price fixing which would involve a bureaucracy and a plague of Government agents, inspectors, and auditors that would exceed a Communist's wildest dreams. Furthermore, when Government agents of the 'economic-planning' type obtain power over goods and private enterprise, imaginary 'scarcities' appear overnight. That has already revealed itself in this country, and should, I think, provide important lessons for those who are more concerned with increasing production than in giving some bureaucrat an opportunity to try to justify his position and salary and to revel in the 'glories' of power over private enterprise. It also should be observed that apparently all Communists, Socialists, 'planners,' and radicals want price fixing. And why shouldn't they want it since it can provide them with a field day in which to bring private enterprise to its knees and to grind its nose into the ground at their feet. Let the ardent advocate of price fixing read, regarding Britain's sad experience with it, 'The Moral Rot,' in 'The Statist' (Aug. 30, 1941), which relates what is after all an old and universal story.

"I am confident that we are not giving sufficient attention to this black side of price fixing; and I think we would do well to be far more careful and circumspect in our considerations of the use of this very dangerous device."

Dr. Spahr urged that every dollar of Federal expenditure that is not necessary be eliminated, and that all possible help be extended to the Byrd Committee which is working to this end.

He said that taxation should be heavy and equitably distributed, but that it should not be so heavy that an expansion in production will be arrested. He suggested that heavy taxation has become an obsession in this country, and that we are apparently overlooking its destructive and weakening effects at the time we should be the strongest.

Editorial—

Private Enterprise

Financial activities have been decidedly subdued in recent years, and have become quieter still under the impact of our entry into the war. Since such activities are, in important ways, the apotheosis of private enterprise and initiative, the question often is heard whether a definite end is approaching of the system upon which the country grew great and prospered. For our own part, we are quite convinced that such is not the case and that tendencies are already in evidence which promise a restoration of all that is sound in private enterprise.

Discussions of this problem have been stimulated especially, in our New York financial district, by recent decisions affecting the status of some prominent banking firms. One of the oldest of these firms is to suspend activities for the duration, but there is reason to believe that the decision is based rather upon adoption of war tasks by many of the partners, than upon any real pessimism as to the course of financial affairs. Another curious incident, somewhat analogous, concerns a house which found all its partners in military service, with the result that the business was turned over to employees on a basis of continuance if expenses could be met, and discontinuance otherwise.

These are but reflections of the change of direction made necessary in financial affairs by the war. The actual future of all private enterprise seems better suggested by the realization now sweeping over the country that the real problems of war production can be solved only by the skilled masters of the private plants, and not by Government. Ironically, many of the business and industrial leaders who were anathema to the New Deal are now the real key men in the war production program.

In the recent report of General Motors Corp., incidental reference to the problem was made by Chairman Alfred P. Sloan, Jr. The challenge of the post-war era must be met by industrial leadership, said Mr. Sloan, if we are to avoid a further enormous expenditure of Government funds and the fresh injection of economic panaceas into the national economy. What is vitally needed, this spokesman added, is the reconstruction of a foundation of confidence in the future opportunity of accomplishment based on the American system of free enterprise. The alternative, he warned, is that we may lose the peace, while winning the war.

For those real economists who live up to the sounder traditions of their profession, and are not mere time servers with one government or another, this question sometimes is posed on the basis of the self-direction of free markets, as against the controlled direction of authoritarian economies. As a simple matter of economic history, national economies have bloomed and progressed when left to their own direction, and withered and died when subjected to excessive controls.

These matters, it may be noted, are currently receiving most penetrating studies in our financial district, with the utmost realism employed in the surveys. The problems of the depression and of the war, it is well understood, are such that an easy return to private enterprise will not be feasible. The struggle will be a hard one, requiring the best of that leadership for which Mr. Sloan called. The role of government in business is bound to increase as the war continues, and the regulations and regimentations of the conflict will possibly continue during the transition to peace, in important spheres.

Overall planning is regarded by many observers as likely to continue for a long time in such activities as agriculture, some forms of building construction and transportation, and perhaps also in utilities. These are realms in which planning might most readily absorb the enormous masses of workers and soldiers who will be released from the war effort. But the remaining vast area of private enterprise is certain to be activated and stimulated by pent-up demands for products and by the new inventions, arrangements and processes rapidly coming into being under the hammer of Mars. Skillful conduct of such affairs would make correspondingly more modest the urge for government intervention, and upon that pivot the course of our economy well may turn.

He also recommended the repeal of all the unsound monetary laws on our statute books, and launched a vigorous attack on those policy makers in and out of our Government who are busy persuading the public that our large and rapidly mounting public debt is not only nothing to worry about but has several positive benefits. He pointed out the fallacies in the current jargon about owing the debt to ourselves, about being unable to pass the debt burden on the next generation, and about there being no danger of national bankruptcy. He said that while these debt advocates admitted that a huge debt owed to another country is a burden, they could not seem to grasp the very simple fact that substantially the same condition exists within this country since one group of people owes another—the taxpayers owe the bondholders and the groups are far from being the same. "If," said Dr. Spahr, "the taxpayers merely pay themselves, as implied by these we-owe-the-debt-to-ourselves propagandists, then we should have no concern whatever about our tax burdens." Most of our private debts are also "owed to ourselves" as a nation, he continued, but debtors go bankrupt, nevertheless.

He said that these confused and superficial advocates of bigger "and better" deficits need to be reminded that it was no longer ago than 1933 that we had a campaign in this country to free our people from their unbearable tax and other debt burdens which resulted in the devaluation of our dollar, and that these debt advocates of short memory were heading this Nation toward another campaign of the same sort.

He reminded them also that a group in the United States Senate had already stated to the country that the dollar may have to be devalued "to that point where the people can meet such taxes, interest and debts," and that these absurd deficit propagandists should see a lesson and warning in that fact.

"Consistently and persistently in recent years," he said, "high Government officials and their sycophants, tutors and associates in our colleges and universities have been misinterpreting the significance of this debt to the American people," and added that something must be done to bring this sorry business to an end.

Dr. Spahr devoted considerable attention to the extent to which Leftists, Collectivists, and economists of the Socialist underconsumption school of thought had infiltrated into our Government, held them responsible for the fact that we entered this war in a weakened condition and with a large debt burden which was totally unnecessary, and pointed out what he said was irrefutable evidence of the failure of their policies to bring prosperity comparable to the 1920's despite their programs of profligate public spending. He hammered home the fact that the velocity of bank deposits reached the lowest levels on record in 1940 and 1941, and that debits to individuals accounts for 1941 were only 53% of 1929 despite the unprecedented expansion of our supply of money and bank deposits.

He urged that the Collectivists, who have found places of safety in our Government, which they hope to dominate and inherit while upstanding American boys are sent to their death at the front, be expelled from our Government and sent out to do some useful manual work if they cannot be made to bear arms.

As to the Federal debt in the end, he said that the best we could hope for is a huge permanent debt which cannot be repaid but which must rest as an unfortunate burden on the backs of the taxpayers for many generations to come. Bad as this will be, he said, it will be preferable to devaluation and repudiation of the debt.

The presiding officer at this luncheon session was Mr. Cecil W. Borton, Assistant Vice-President of the Irving Trust Company and President of the New York City Control. Mr. John A. Donaldson, Vice-President and Treasurer of Butler Brothers, Inc., of Chicago, is President of the Controllers Institute of America. Mr. Arthur R. Tucker of New York City is Managing Director.

The State Of Trade

Business activity continues to expand in most quarters, with increasing acceleration of the war production effort reflected in many reports, and notably in the rapid absorption of the war conversion unemployed.

Employment in the United States has increased by 1,800,000 persons from 48,600,000 in February to 50,400,000 in March, the Works Project Administration reports.

A development playing no little part in increased war output is the recent formation of the management-labor committees.

Organization of 444 labor-management committees to get production drives under way in war plants has been reported to the War Production Board.

The companies range in size from small shops throughout the country to the Westinghouse Electric & Manufacturing Co., and the E. I. du Pont de Nemours Co., the WPB states. Several committees said their output was handicapped by lack of materials, others reported record-breaking production achievements toward President Roosevelt's goal of 45,000 tanks, 60,000 planes and 8,000,000 tons of shipping this year.

As an example of the effectiveness of these newly formed organizations, the following item appears: "Workmen of the Jones & Laughlin Steel Corporation during the month of March helping to fight the war, shattered all previous records and established all-time new highs for the production of coke, pig iron, steel ingots and finished steel products."

War production is now expanding so rapidly that, in terms of dollar volume at least, the peak will be reached late this year, a highly placed aid in the War Production Board indicated.

In terms of actual output of munitions, however, peak output will be achieved early next year, perhaps at the turn of 1943. Expenditures will reach a high point first, because they cover plant construction as well as payments for munitions deliveries. As plants are completed and begin to produce, expenditures will remain at a high level, but actual war output will expand, informed sources state.

Naturally this material stepping-up of all war work is being reflected in car loadings, electric output and steel production.

The output of electric power during the week ended April 4 was 3,348,608,000 kilowatt hours, a contra-seasonal gain of about 1/10th of 1% over the previous week and 13.4% gain compared with the comparable week in the previous year, according to the Edison Electric Institute.

Freight loadings were well ahead of 1941. The Association of American Railroads reported that 828,890 cars of revenue freight were loaded during the week ended April 4.

This was an increase of 24,144 cars, or 3%, compared with the preceding week; an increase of 145,488 cars, or 21.3%, compared with a year ago, and an increase of 226,055 cars, or 37.5% compared with 1940.

Steel ingot production in the United States is scheduled this week at 97.2% of capacity, against 98.6% last week, a drop of 1.4 points, the American Iron & Steel Institute announces. Lack of scrap at some plants and repairs at some Middle West steel works, account for the decline.

At 97.2%, output of the week would amount to 1,651,100 net tons of ingots, compared with 1,674,800 tons last week and 1,586,500 tons in the like 1941 week.

Department store sales on a country-wide basis were up 22% for the week ended April 4, compared with the same week a year ago, according to the Federal Reserve System.

Department store sales in New York City last week were 15% smaller than in the same week of last year, according to a preliminary estimate issued by the New York Federal Reserve Bank. The drop in dollar sales was explained in part by the fact that last week's sales compared with those of the week just before Easter last year. In the previous week ended April 4, sales of New York City department stores were 10% larger than in the comparable week a year ago.

It is pointed out that retail trade later this year may be hit sharply by a combination of higher taxes on consumers and a shortage of a wide variety of consumer goods, particularly in the durable lines.

There is growing conviction among observers in Washington that tax legislation for the 1943 fiscal year will include a general sales tax, despite traditional opposition to such levies from organized labor. The latter part of the year may also witness some form of compulsory savings plan to siphon off purchasing power and raise revenues. Defense bond sales have been disappointing in this respect to date.

Department of Commerce experts have estimated that the physical volume of goods and services to be purchased this year will fall some 10% below that of last year. The discontinuance of automobiles and other durable goods manufactured will account largely for this. No shortages are anticipated in most soft goods lines through this year at least, observers state.

Almost complete conversion of the construction industry to the war effort, but no curtailment of its activities, is expected to be the effect of the War Production Board's conservation order L-41, according to a survey made by the "Journal of Commerce."

Expectations of an unreduced total construction volume are based upon the fact that a very large part of current construction activities already is in the war and essential categories. Total engineering construction contracts, so far this year, show an increase of 41% over the corresponding 1941 period, according to the "Engineering News Record" statistics. This rise is due mainly to a 130% increase of Federal contracts. Similarly, statistics of F. W. Dodge on building contracts awarded in 37 Eastern States show the first quarter total 29% higher than a year ago, reflecting an increase of public construction awards from 47% of the first quarter total last year to 72% of this year's figure. Moreover, much of the private construction still proceeding is also devoted to war purposes, directly or indirectly.

Immigration Commissioner

Earl G. Harrison, of Pennsylvania, was recently nominated by President Roosevelt to be Commissioner of Immigration and Naturalization in the Department of Justice. Mr. Harrison, Chief of the Alien Registration Section of the Justice Department, was named to succeed James L. Houghteling, resigned.

U. S., Mexico To Formulate Program To Develop Mexican Resources And Aid U. S. War Effort

Agreement on arrangements between the United States and Mexico whereby there will be formulated a program to aid the war efforts of the United States, and to develop Mexico's vast resources was announced in Washington on April 7. In a joint statement issued by Acting Secretary of State Sumner Welles and Dr. Ezequiel Padilla, Mexican Foreign Minister, following a week of conversations, the six-point program involved in the plans which are to be developed, were outlined as follows, according to the Associated Press:

1. Development of Mexican industry including construction of a steel and tin plate rolling mill with Export-Import Bank credits;
2. Increasing the capacity of Mexican railways through addition of needed rolling stock—United States and Mexican experts already are surveying the country's rail system;
3. Studying the feasibility of constructing small cargo vessels with material and tools provided by the United States;
4. Construction of a high octane gasoline refinery in Mexico with United States equipment;
5. Streamlining procedure for handling priorities and allocations for Mexico based on Mexico's needs in relation to the war production effort of the United States;
6. Early conclusion of a reciprocal trade agreement between the two countries.

The same advices said:

> It was explained that the establishment of various industries in Mexico "to meet consumption needs and to supply goods required by the war effort in the United States" would be accomplished through cooperation of private investors and the Mexican Government and that any further capital needed would be supplied by the Export-Import Bank.

From the joint statement of Messrs. Padilla and Welles, as given in the New York "Times" from its Washington correspondent, Bertram D. Hulen, we quote the following:

> It has been not only a pleasure for us to renew our friendship formed at the meeting of Foreign Ministers at Rio de Janeiro, but also a very real opportunity for exchanging views and reaching agreements regarding matters of the first magnitude to the two countries.
>
> In the short space of a few days we have agreed on a number of arrangements that not only will develop the economic life of Mexico and the United States but will greatly speed the war effort of the United States.

TRADE AGREEMENT

> Last Fall our two governments agreed to study the possibilities of negotiating a trade agreement to expand commerce between the two countries. The preliminary studies have indicated that a satisfactory basis for a trade agreement exists, our two governments made formal announcement on April 4 of their intention to negotiate a trade agreement. Negotiations will begin immediately after the completion of the public hearings required by United States procedure, which will be held beginning May 18.

The joint statement, it was noted in press advices, explained that the steel and tin-plate rolling mills are among several important projects under consideration and that the granting of priority rating for the machinery and material produced in the United States will be determined by each projects' contribution to the war effort and to the security of the hemisphere.

With regard to handling priorities and allocations, the statement said that a special organization will be established in Washington "for the purposes of insuring the closest collaboration" with United States authorities.

In Associated Press advices from Washington April 7 to the New York "Journal of Commerce," it was stated:

> Specifically, the two officials agreed on an immediate survey of Mexico's rail system to determine its requirements to "support Mexico's economy in order to permit it to transport to the United States strategic war materials being produced in ever-increasing quantities in Mexico."
>
> In anticipation of the survey now being made by two experts, the War Production Board "is taking into consideration Mexico's needs of rolling stock in formulating the United States manufacturing program of such material for the coming year."
>
> The United States also agreed to make available equipment, machinery and tools for establishment of a refinery for high octane gasoline, and for the starting of construction of small cargo vessels in Mexico.

Dr. Padilla, who had been conferring in Washington, for more than a week, left on April 7 for an extensive cross-country inspection of war plants. He had called on President Roosevelt on April 1. The Mexican Foreign Minister on April 2 delivered to Mr. Welles a check for $3,000,000 as a payment under the property claims agreement signed last November. Under this pact, Mexico agreed to pay $40,000,000 in full settlement of the so-called general claims and agrarian claims of United States citizens. This payment became due when Mr. Welles and the Mexican Ambassador Francisco Castillo Najera exchanged ratifications of the convention on that day (April 2). A payment of $3,000,000 had already been made and the balance of $34,000,000 is payable at the rate of $2,500,000 annually, beginning this year. The agreement was reported in our issue of Nov. 27, page 1248.

In meeting with President Roosevelt on April 1, Dr. Padilla assured the President that Mexico would "do everything possible in the common cause of democracy and the war effort." Reporting this, advices to the New York "Times" April 1 from Washington added:

> He [Dr. Padilla] carried a greeting to the President from President Manuel Avila Camacho of Mexico and said Mr. Roosevelt had sent his cordial regards to the Mexican President.

Dr. Padilla was taken to the White House by Dr. Francisco Castillo Najera, the Mexican Ambassador, and was accompanied by Ramon Beteta, Under-Secretary of the Treasury, and Luciano Weichers, technical adviser to the Mexican mission.

Lend-Lease For Ecuador

A lend-lease pact between the United States and Ecuador was signed at Washington on April 6 by Acting Secretary of State Sumner Welles and Capt. Colon Eloy Alfaro, Ecuadorian Ambassador. This was the 18th such pact signed with South American countries and leaves only Argentina and Chile—both of whom still maintain relations with the Axis Powers—without lend-lease agreements. The amount involved in the Ecuador pact was not disclosed but the Associated Press advices said it probably does not exceed $10,000,000.

Calls Draft of Women Destructive Influence

Disapproval of the proposal for the drafting of American women for war came from the Rev. Dr. Norman Vincent Peale at the Marble Collegiate Reformed Church, Fifth Ave. and 29th St., on Sunday last, Apr. 12, who, according to the New York "Herald Tribune" of Apr. 13, asserted:

> It is not going to serve this country well to stimulate the process of masculinizing women. To behold the spectacle of American womanhood, from the lovely 18-year-old girl to the sweet-faced grandmother of 65, herded before draft boards, is something I never thought I would live to see. It smacks of European regimentation. It is Sovietism. It is certainly not in the American tradition.

Further reporting Dr. Peale's criticisms, the account in the "Herald Tribune" continued:

> In war time, the "spree" psychology is likely to prevail, and under stress, things may happen which on sober afterthought may be regretted, he said. Such an idea, according to Dr. Peale, is the Rogers bill, sponsored by Representative Joseph Clark Baldwin, Republican, of the 17th Congress District. The Rogers bill would make it possible for women to enlist in the United States Army in capacities other than that of nurse.
>
> "If we have come to the time when we have to depend on women to save us, we are indeed in a bad way," Dr. Peale continued. "American men in every previous crisis in our history did men's duty without registering American women. It is another of those theoretical and foolish ideas rising out of crisis psychology.
>
> "A masculine woman is inevitably rougher and less refined than any masculine man. Today, an astounding number of women can drink and swear with any man. To enroll them in the Army is not going to make them sweet and demure, by any means."
>
> The vast number of "reticent and lovely women" in this country are going to face an uphill struggle against a bizarre influence that bids fair to destroy feminine charm and uniqueness, he said. "This proposal of Congressman Baldwin's ought to be defeated as resoundingly as the recent Congressional salary grab," he concluded.

Treasury Ctfs. Offer Twice Oversubscribed

The Treasury Department announced on Apr. 10 that subscriptions totaling $3,062,000,000 were received to the cash offering of $1,500,000,000 of ½% certificates of indebtedness, offered on Apr. 6.

Subscriptions up to and including $25,000 will be allotted in full while the larger subscriptions will be allotted 48% on a straight percentage basis.

The certificates are dated and bear interest from Apr. 15 and will mature on Nov. 1, 1942; full details of the issue appeared in our issue of Apr. 9, page 1444.

With the recent issuance of the certificates some surprise was caused among market observers because the maturity date, Nov. 1, falls on Sunday, but it was explained at the time that the Treasury adhered to its regular policy of having its securities fall due on the 1st and 15th of the month.

This type of obligation (last previously issued by the Treasury in 1934) was offered in response to a demand on the part of corporations, banks and other investors for a security with a longer maturity than Treasury bills, in which to invest current accumulations of business funds.

THE FINANCIAL SITUATION

(Continued From First Page)

He will remember that before very long these students were driven to the idea of measuring "ability to pay" in terms of sacrifice entailed by payment. From this concept there emerged a theory not greatly different from the "Equality of Sacrifice" now brought forward by the labor unionists as the means of victory today—although the principle was then applied to taxation in general and is today rather widely accepted as one of the fundamental doctrines which should govern the formulation of wise tax systems. Yet serious students of the subject will not need to be reminded that it soon appeared that this interpretation of Adam Smith's "first principle" of taxation accomplished little more than to substitute one group of words for another. It was, of course, obvious that unless it is asserted that taxation is to be employed to give effect to the socialistic principle "to each according to his needs"—a system never contemplated by any student of taxation in a capitalistic system—the newly developed interpretation of the ability to pay theory could not be applied literally. It was easy enough to say that if necessity arose taxes should compel the wealthy man to abandon his yacht before obliging the poor man or his family to go without proper food, but it was soon evident to thoughtful observers that when this general principle was carried very far—long before the point of "equality of sacrifice" of consumption was reached—the abler and the wealthier individuals would often begin sacrificing, not so much yachts, automobiles, and other luxuries or semi-luxuries, but entrepeneurial activities, and when this happens on a wide scale, the poorer elements in the population are deprived of bread. And so it was found that "ability to pay," however interpreted, remained as an acceptable, rather vague, principle of wise taxation—but only when subject to limitations set by very practical considerations, which vary doubtless from country to country and from time to time within the same country.

"Equality of Sacrifice"

The "equality of sacrifice" now being preached as a means of winning the war is subject to all these general limitations plus a number of others which inhere in the special circumstances existing and in manner in which it would have to be imposed for the purposes in hand. Plainly even its proponents do not believe in a literal application of such a principle. Evidently also they do not in the least understand the implications of their "war slogan." Indeed a number of their specific proposals appear to be but tenuously related to their "slogan." But thoughtful men and women will not fail to recognize the fact that whether we define "equality of sacrifice" literally or in such terms as are suggested by the proposals of those who are now making use of that catch-phrase, particular care must be employed in the application of any such principle at this time and for the purpose designated, namely winning the war. In the first place, it is far more vital even than in ordinary times that nothing be done which will impede production, for upon the fullest possible production victory depends. In the second place, if this is to be a war-winning project it of necessity must be given effect without delay, and hence without time for those adjustments which are essential if we are not to paralyze important elements in the productive mechanism. It is one thing to adopt ultimately drastic changes in our economic and social system gradually and with due notice; it is quite another to do so over-night.

With such considerations in mind let us inspect some of the concrete proposals put forward under the style and title of "equality of sacrifice." The first is that all corporate earnings over three percent on "actual capital invested" are to "revert to the Government." The first question is: "What do these propagandists mean by "corporate earnings"? Before or after fixed charges? If before fixed charges, do not the unionists know that many, if not most, corporations are obliged to pay more than three per cent for the funds which furnished a large part of their "actual capital invested"? If after charges, do they mean that the three per cent should then be computed upon only that part of the "actual capital invested" which is represented by the proprietary interest? Nearly all preferred stock outstanding carries dividend requirements of more than three per cent, and was sold to investors on that basis. Then too, have not the unionists ever heard of the difficulties and controversies of the past decade or two surrounding the determination of both earnings and of "actual capital invested"? Finally, what do these gentlemen think a corporation is? Do they not know that in thus virtually eliminating earnings—for that is what it would amount to in many instances—they would take bread from the mouths not of the over-privileged but of many really under-privileged whose sole livelihood is a small block or two of stock? Apparently it has never occurred to them that corporations as well as individuals in the normal course of events are often in debt and under obligation to repay sums borrowed.

$25,000 Per Year

The second is like unto the first. "By legislation," say these unionists "no individual or family should be permitted to receive in dividends, salaries, or from other sources, income of more than $25,000 per year," which they suggest is "more than adequate to buy food, clothing, and other necessities of life for a period of one year." But what of the man who is active in business and in the course of his undertakings has made commitments fully within reason on the basis of his usual and expected income, but which could not possibly be met out of an income of $25,000? There are doubtless a very substantial number of men in this country who could not pay their taxes from any such amount. It is one thing to advocate redistribution of wealth and income even to the extremes here suggested, provided that the process is a gradual one permitting adjustments to avoid financial ruin; it is quite another to insist that it be done out of hand. We do not, of course, mean to say that we concur in much of the redistribution theories that have been the vogue in this country for years past, but, however that may be, we can not for the life of us understand how intelligent men can talk of winning the war by creating the chaos that such a proposal as that here under discussion would entail.

But to these gentlemen "equality of sacrifice" appears to go much further. For one thing to them it implies further increase in wages. But it likewise signifies the regulation and rationing of everything, or practically everything, and a number of other "benefits" for sundry groups. It would also include post-war planning, in which it has recently been said some hundred agencies, public and private, are already engaged. But the best was saved for the last. "Upon the acceptance and adoption of the foregoing measures, we agree that all wages for time over 40 hours per week shall be paid in the form of non-negotiable special defense bonds," the country is suavely assured! In closing this group "calls upon the President and the Congress of the United States to give this program immediate and favorable consideration." Continuing it asserts:

> Its adoption is necessary to insure maximum cooperation in winning the war. It will protect all groups engaged in the war effort—Government, our armed forces, labor, farmers and industry. It will preserve basic American freedoms which must be the cornerstone of our drive for victory. It will establish equality of sacrifice.

All this is worthy of the most serious consideration of thoughtful citizens of the land for the very good reason that obviously these highly paid wage-earners, or their representatives, whatever their shortcomings as students of business and economics, are far from amateurs as propagandists. Their manner of presentation and their use of the catchy phrase "equality of sacrifice" are very nearly on a par with the President's exploitation of such terms as "social security" during the past half dozen years and more. Their record is against them, of course, since these are among the labor groups who developed and exploited the "sit-down" strikes, the so-called "slowdowns," and long after our defense program had been undertaken and long after it had been officially and popularly placed upon the urgent list gave endless trouble with interruptions and threats of interruptions of work. It would be difficult to say to what degree they have been able, with such campaigns as that centering around the so-called Reuther Plan, to cause the general public to forget their record, but it would be folly to set this new campaign down as just another bit of propaganda.

Careful observers will not fail to make note of the broad similarity, yes, even similarity, if not indentity, of detail between the proposals of these aggressive unionists and those which are now quite generally under serious discussion in Washington New Deal circles. It is of secondary importance, to say the least, whether these ideas originated with the New Deal managers or with the unionists now sponsoring them. It could be that the Administration obtained its ideas and its inspiration from the union leaders. It certainly would not be the first time. It could be that the unionists, sensing what the Administration had in mind, undertook to "beat it to the gun" for the sake of publicity. It does not matter greatly. The point is that the Administration, if it is actually developing programs of this nature as is commonly asserted, will now have the support of this union propaganda. If it had not contemplated this type of program, it may be taken for granted that it will give careful consideration to what the unionists now have to say and to how it is being received by the general public.

The Public's Part

It is therefore evident that the American public has an important and urgent duty in the matter. It must study these and similar suggestions most dispassionately—forget the cash-phrase "equality of sacrifice" and consider each proposal on its merits. It must remember at all times that this is a situation in which plain commonsense, not vague theories of "social justice" and the like, must rule if we are to get along as we should with the war effort uninterrupted and unimpeded by inexpedient or unwise ventures quite foreign to our traditions and our practices in the past. If it will do so it will find little to recommend most such proposals, and, having come to such a conclusion, it must make its findings known in Washington in no uncertain terms. It appears to be uncertain precisely how far the President has progressed with his formulation of sweeping measures of detailed control and regulation of many fields of business and, indeed, of individual conduct. Current dispatches make it appear that a measure of time will elapse before he is ready to lay his plans before Congress. It is likewise difficult to be certain precisely what he will suggest when the time comes. It may be that he is himself not certain about many aspects of these questions. But, however all this may be, we can rest assured that he will pay close heed to what he hears from the public meanwhile—even to the point of major alterations in plans already largely formulated.

It would appear therefore that this is the time for the public to come to its own aid—and quickly.

Sales Tax in Revenue Measure Now Held Uncertain—"Induced Savings" Urged

While the inclusion of a sales tax in the proposed new revenue bill was regarded as likely a week ago, it was stated on April 13 that opposition to such a tax was growing as a result of President Roosevelt's anti-inflationary program, proposing drastic new taxes, freezing of commodity prices, wage controls, etc., on which he is shortly expected to make an announcement.

Indicating the change of attitude among some of those in Congress, the New York "Journal of Commerce" in advices from its Washington bureau on Apr. 13 stated that some members who have leaned toward a sales tax as an anti-inflationary measure now feel that such a levy will not be necessary in view of the President's expected program aimed at inflation. In part, these advices added:

> Added to the list of those who oppose the sales tax is Senator Clark (Dem., Mo.), who told the Senate today that the idea of a sales tax is absolutely incompatible with price control. He added that he hoped President Roosevelt would submit his plans as soon as possible, so that Congressional action could be taken soon on inflation control.
>
> Senator George of Georgia, Chairman of the Senate Finance Committee, who will handle the tax bill in the Senate, has already gone on record as favoring all-out price control as the solution to the problem of inflation.
>
> The remarks of Senator Clark occasioned Senator Connally (Dem., Tex.) and Senator Vandenberg of Michigan to voice their agreement that all-out price control, along the lines suggested by Bernard M. Baruch, is absolutely essential. Senator O'Mahoney (Dem., Wyo.) is also among those who strongly advocate the freezing of prices and wages. Senator Clark said, "the way some stores are raising prices overnight and during lunch hour, indicates that the price level must be frozen at some previous date."

On Apr. 11 a program of "induced savings" to help avert inflation and finance the war was urged by Senator George, at which time he and other Senators advocated over-all control of prices and wages, replacing the present selective price control system as part of the general anti-inflation campaign. In an interview, according to the Associated Press, Senator George stated:

> If we were brutally realistic we would know that some system of compulsory savings is not far off. Before we get to that I favor trying a voluntary system of induced savings as part of the pending new tax bill.

The Associated Press further said:

> He [Senator George] explained that by "induced savings" he had in mind a system whereby a tax payer would be allowed certain deductions from net taxable income for income invested in Government bonds, or other war securities.
>
> Senator George also said he felt that a "withholding tax is inevitable now or later" and suggested this might be started at 5% of "all wages, salaries, dividends, and interest payable at the source." While Treasury authorities have talked about a 15% withholding tax, Senator George said he favored a start at the 5% level, adding that this should raise four billion dollars in revenue.
>
> Senator George, discussing excessive profits, said he believed these could best be reclaimed under tax programs, but that some special over-all limit on profits from war contract profits might be advisable.
>
> Support for over-all control of prices, wages and salaries has been voiced by Senators O'Mahoney (Democrat), of Wyoming; Vandenberg (Republican), of Michigan, and Pepper (Democrat), of Florida, as well as George.

A proposal, by the Treasury, as part of its new tax program, to tighten exemption features of trust funds of corporations, drew opposition on Apr. 10 from various witnesses heard by the House Ways and Means Committee. Randolph Paul, Tax Adviser to Secretary Morgenthau, before the Committee restated these proposed major requirements before tax exemption would be granted.

1. 70% of employees of a company must be covered.
2. Benefits to an individual must not exceed $7,500 annually.
3. An employee must receive some rights to the employer's contribution to the plan when he attains the age of 40 and has had 15 years participation.

In reporting this, the Associated Press said:

> "The present treatment of pension trusts affords a tax subsidy to those trusts which meet the requirements set forth in the statute," Mr. Paul told the committee.
>
> "This subsidy is at the expense of the general body of taxpayers. It was granted because of the desire to improve the welfare of employees by encouraging the establishment of pension trusts for their benefit.
>
> "We suggested that only those trusts which are designed to benefit large numbers of employees should be permitted this favored treatment. Trusts which cover only a few favored high-salaried employees or executives should not qualify.
>
> "We have suggested the benefits must be extended in a non-discriminatory fashion, so that the higher-salaried employees cannot be favored at expense of the lower-salaried employees. These suggestions at the same time would operate to safeguard the pension provision against use as a tax avoidance device.
>
> "At the present time an employee who leaves the company's employ, either voluntarily, or involuntarily under many trusts forfeits his benefit from the employer's contributions. Our suggestion was designed to mitigate such hardships."

One of those protesting before the Committee on Apr. 10 against the proposed taxing of pension funds was Keith S. McHugh, Vice-President of the American Telephone & Telegraph Co., who, according to a Washington account to the Philadelphia "Inquirer," testified that enactment of the Treasury's proposed corporation income tax increase would reduce annual earnings of A. T. & T. by more than $4 a share.

"This tax increase," he said, "would reduce our earnings to the lowest point in the entire history of the company, including the worst year of the recent depression." He was also quoted in the same account as saying:

> "If our pension trust funds and contributions thereto are to be taxed, it would be impossible to continue the plan under present conditions."
>
> He said that it should be possible to prevent tax evasion without "setting up standards which will result in the termination of the Bell System pension plan which has demonstrated so satisfactorily its many advantages over such a long period of years and which has no element of tax evasion in it."
>
> He said the company's pension plan now covered 380,000 employees, was in operation for more than 29 years before Federal taxes were imposed, and was never intended as a means to evade taxes.

The same advices stated:

J. J. Evans, of Armstrong Cork Co., Lancaster, told the committee that Mr. Paul's recommendation that an employee should have a vested interest in the employer's contribution was unfair and also expressed opposition to the $7,500 maximum payment.

From Henry B. Bryans, Executive Vice-President of Philadelphia Electric Co., came the declaration that vesting of employer contributions would increase substantially the cost of the company's pension plan at a time "when there is likely to be an increased turnover of mature employees."

H. Walter Forster, Philadelphia, President of a company which he said serves as consultants on pension plans for scores of corporations, testified that a survey of the pension plan of 58 corporations, employing a total of 1,506,000, showed that only 1,261 persons, or 0.8%, were receiving pensions of more than $20,000.

James L. O'Neill, Vice-President of the Guaranty Trust Company of New York, testified that the "far-reaching and restrictive nature" of the Treasury proposal "threatens to penalize reasonable and bona fide pension plans." The Associated Press reported him as follows:

> He argued that the proposed changes "go far beyond the tax avoidance aspects of the situation" with the "apparent intent being to require every pension trust to conform to some theoretical pattern."
>
> "We feel, and we are sure our employees feel," he added, "that in our organization it is fairer to provide greater ultimate benefits to those employees who continue in service than it would be to decrease such retirement benefits in order to provide current vesting for all employees, many of whom voluntarily leave the service prematurely."

Continuance of the present estate tax exemption on proceeds of life insurance policies was urged before the Committee on Apr. 9 by representatives of the National Association of Life Underwriters. The United Press reporting this said:

> Charles J. Zimmerman, Chicago, Chairman of the organization's law and legislation committee, told the House Ways and Means Committee that removal of the exemption would strike hardest at "the great middle class."
>
> Under present law, there is an exemption of $40,000 on insurance benefits and $40,000 real and personal property in estates. The new Treasury tax program would lump the two together and permit a general exemption of $60,000 on all forms of property.

On April 8 a transaction sales tax amounting from 1% to 2% of the value of all transactions involving a change of title to merchandise was proposed to the Committee by Hugh Satterlee of New York City, who served in the Office of the Solicitor General of the Treasury during the last world war, and Meyer D. Rothschild of New York City. Advices to the New York "Journal of Commerce" in indicating this, added:

> Other witnesses appearing before the Committee were representatives of the National Lawyers Guild and the Congress of Women's Auxiliaries of the CIO, who voiced a protest against any general sales tax.
>
> The case of investors was placed before the Committee by Redington Fiske, Jr., New York City investment counsel, who said that those who receive their incomes from earnings on securities are burdened with a discriminatory and inequitable burden under the Treasury's proposals for increasing corporate income taxes.
>
> One Committee member insisted that the proposal of Satterlee and Rothschild was virtually the same as the Townsend "turnover" tax. The Townsend plan, however, provided for a tax assessment on all transactions and services, while the plan suggested to the Committee today would confine the tax entirely to sales transactions in which the title passed from one person to another. It was suggested in the plan presented by Satterlee and Rothschild a $1,000 exemption be provided for farmers and other groups.

* * *

> Opposition of the National Lawyers' Guild to the sales tax was voiced by Martin Popper, Executive Secretary of the organization, who said that such a tax would be "disastrous to the war effort and conducive to inflation." He added that a general sales tax "would foster national disunity" because it "would cut many meager incomes below subsistence requirements and would tax those least able to pay."

The enactment of special tax relief for companies whose foreign properties have been wiped out by the war was proposed before the Committee on Apr. 13 by Arthur H. Kent, a San Francisco attorney, who told the Committee that since it was difficult to determine foreign war losses, Congress should permit companies to consider them as ordinary losses and should authorize a 7-year period for filing refund claims. Others heard by the Committee on Apr. 13 were reported as follows in Washington Associated Press advices that day.

> Joseph E. Keller of Washington, representing a group of petroleum associations, expressed opposition to the Treasury proposal to raise the lubricating oil tax from 4½ cents a gallon to 10 cents. He said that the tax rests chiefly on war uses and therefore any increase in the levy "would greatly increase the cost of the war program."
>
> Mr. Keller appeared on behalf of the National Petroleum Association, the Pennsylvania Grade Crude Oil Association, the Western Petroleum Refiners Association and the American Petroleum Industry's Committee.
>
> H. R. Chapman of the New England Confectionery Co. of Cambridge, Mass., opposed the Treasury's proposal for a 15% manufacturer's excise tax on candy. He said it would constitute a "discrimination against candy manufacturers, an important segment of the food industry," and against "the consumers of candy as a food."

Reference was made in our issue of a week ago (page 1445) to the hearings before the House Committee dealing with new tax proposals, and on page 1452 the opposition of President Roosevelt and the Congress of Industrial Organizations to a Federal sales tax.

To Audit War Plants

President Roosevelt, in an executive order issued April 10, directed the War, Navy and Treasury Departments, the War Production Board, the Maritime Commission and the Reconstruction Finance Corporation to inspect plants and to audit books and records of companies with war contracts. The purposes of the order are to "prevent the accumulation of unreasonable profits, to avoid waste of Government funds and to implement other measures which have been undertaken to forestall price rises and inflation."

Inspections and audits, and the determination whether a given contract is a defense contract, as defined by the Second War Powers Act, may be made in the case of any contractor with whom a defense contract has been placed by any of the six agencies, or by any corporation created or organized by the RFC since the declaration of emergency on Sept. 8, 1939, and in the case of any subcontractor performing work required by any defense contract. Donald M. Nelson, Chairman of the WPB, is charged with formulating orders and regulations and establishing policies to coordinate and govern the six agencies in exercising the functions vested in them by the order. Provision is made for protection of secret, confidential or restricted data and powers to issue subpoenas and administer oaths are also provided for in the order.

Mtg. Bankers To Meet

The 29th annual convention of the Mortgage Bankers Association of America will be held at the Edgewater Beach Hotel in Chicago Sept. 30 and Oct. 1 and 2, Frederick P. Champ, President, announces. The Association will continue its program of regional conferences and mortgage clinics inaugurated two years ago and greatly expanded this year because of wartime conditions. Two-day conferences are scheduled for Philadelphia, Atlanta and Cleveland during May. Earlier clinics were held in Chicago, Seattle, San Francisco, Los Angeles, Dallas and New Orleans during February, March and April. Other regional meetings were held in Denver, Salt Lake City, Portland and Spokane with smaller meetings in St. Paul, Minneapolis, Kansas City and Baltimore.

Advocates Shortening Of Bank Hours To Release Manpower For War Work

The shortening of banking hours, with a view to releasing bank employees "for clerical work in Government agencies having to do with the war and in the offices of concerns engaged in war production," was suggested on April 9 by George V. McLaughlin, President of the Brooklyn Trust Co. of Brooklyn, N. Y., in addressing a forum meeting of Savings Banks Auditors and Comptrollers at the Hotel Pennsylvania, New York. In furtherance of his belief that "the principal sacrifice that can be made by banking as a business is the shortening of banking hours so as to release manpower for essential war work," Mr. McLaughlin said:

> Banking hours, by reason of long-standing custom, are binding upon us—that is to say, one bank cannot close at noon while its neighbor remains open until three o'clock, even though there is at present nothing in the banking laws to require banks to remain open during any particular hours.
>
> So that uniformity can be achieved, I suggest that legislation be enacted to authorize the Superintendent of Banks and the Banking Board to fix uniform banking hours, and that this be done before adjournment of the present session of the Legislature. I know of no better organization than your own to initiate such an amendment to the banking law, because of the high regard in which you are held by the members of the Legislature and the Governor of the State. I intend to submit my suggestion to the New York State Bankers' Association for their consideration, but that need not prevent your group from taking it up. Some years ago I know that bankers were accused of blocking needed reforms in banking on the ground that "this is not the time for action." But now conditions are different. We are at war. This IS the time for action.

Mr. McLaughlin in his address referred to the fact that "up to now, banks generally have been making every effort to put all their facilities and services at the disposal of the nation's war program." He went on to say in part:

> Commercial banks and trust companies, apart from their normal function of providing hundreds of millions of dollars in credit for contractors working on war orders for material and equipment, have gone further and straightened out the management of many small industrial and other concerns which have been overwhelmed with a flood of war contracts and helped solve their problems. In some cases where business volume has boomed up to five or even 20 times normal as a result of Government orders, the management have proved unequal to the task and changes have been made. Banks have hired extra personnel and have placed it at the disposal of customers working on war orders, and the result has been beneficial to the companies and the Government and generally profitable to the banks themselves.
>
> Savings banks have done everything in their power to help the Treasury sell Defense Savings Bonds to the general public, and have cheerfully paid for advertising these bonds, even though in many cases sales of Defense Bonds naturally meant loss of deposits. Savings banks have generously supported the Red Cross and other civilian agencies co-operating in our national defense effort, and through direct purchases of Treasury bonds and notes have helped finance the war out of savings instead of credit inflation.
>
> Up to now, one might well say that banks HAVE been doing their part. But that is not enough for the future. . . .
>
> Everyone recognizes — or should recognize—that the Government needs for its war effort every ounce of production, every minute of productive time, every dollar above that required to maintain a necessary minimum standard of living. This applies not alone to individuals but to business organizations as well. During the past 15 or 20 years many businesses, including our own, have taken on quite a few non-essential "frills" in the form of free services, which include the practice of taking the business to the customer's door, so to speak. In banking, I think that branch expansion could well be discontinued for the duration of the war. Some of the services in which banking institutions compete with other types of institutions, thus causing a duplication of facilities, personnel, etc., and a consequent waste of manpower, could also be discontinued for the duration—provided some means could be found to prevent increases in cost of service to the public as a result of eliminating competition.

With respect to the saving of manpower by shortening banking hours, Mr. McLaughlin said, "I see no reason why banks could not close at noon or one o'clock on all except one day of the week, when longer hours might be maintained for the benefit of those who could never come to the bank before regular closing time." "After an hour's recess," he went on to say, "bank employees could then report for duty whenever they might be needed, and receive suitable compensation for such work, which would be a welcome addition to their regular salaries at the bank." Mr. McLaughlin added:

> Naturally such employees would work longer hours in the aggregate than is the case today, but they would be compensated for it and they would be helping to fill the vacuum of manpower created by our rapidly expanding Army and Navy and war industries. I feel sure the employees would agree cheefully to such a proposal, and I imagine some of them would welcome it in these days of higher taxes and rising living costs.
>
> Even though banking hours were to be shortened, I would be in favor of maintaining salary scales just as they are, even though such a policy might mean some reduction of bank earnings, the extent of which, of course, could not be forecast. Bank employees, in common with most "white-collar" workers, have not shared in the wage increases which have been given to most factory and transportation workers in recent years. The reason, as all of us know, is that bank earnings have been lean for 10 years and it has been impossible for managements to grant salary increases to the extent that they would have liked.

Mr. McLaughlin also observed that "there are many ways that banks can co-operate to eliminate duplication of work, if they will only apply themselves to the task." He continued:

> For example, negotiable instruments are now made payable at various places all over the city—and all over the country, for that matter. Presentation and collection of notes at odd and inaccessible places requires extra manpower, and if some central place or point for payment and collection could be agreed upon, a great deal of manpower could be saved. Inside our own institutions we can save manpower by eliminating unnecessary letters, unnecessary memoranda, unnecessary telephone calls and unnecessary services to the officers. By eliminating unnecessary correspondence we can "double up" on stenographers and secretaries. Doctors in hospitals are now doing work formerly done by internes, and in banks staff officers must get accustomed to doing work formerly done by others.

Retail Price Ceilings Opposed By Ass'n

Commenting on the general price ceiling situation as it involves merchandise at the retail level, Lew Hahn, General Manager of the National Retail Dry Goods Association issued a statement on April 4, in which he said "it is sincerely to be hoped that the decision will not be to establish all-over ceilings on retail prices." Mr. Hahn in part added:

> "First, such an undertaking is, in our judgment, not necessary. Ever since the first outbreak of war in Europe, in September, 1939, retailers have been conscious of the need of preventing anything like a runaway inflation of prices and there has been strong and effective organized cooperation to prevent such a thing and to keep prices down.
>
> "The success of this effort may be readily demonstrated by comparing retail price indices for the first two years of this war with the price indices of the first two years of the previous war. A comparison of retail price indices with wholesale price indices for the past two years also will demonstrate that something more than the ordinary lag between wholesale and retail prices is present. There is no way of accounting for this except that retailers have voluntarily averaged prices instead of directly and quickly following the market and have consciously dug in their heels and resisted price advances which have not seemed to them justifiable.
>
> "It also must be pointed out that the Government census figures show there are 1,700,000 retailers in the United States. They do not all deal in the same merchandise but there is a great overlapping of items and merchandise lines as between different types of stores. The work of policing and enforcing any all-over price ceilings would be a task so tremendous that it would be foredoomed to failure. In all probability only those retail concerns which are large enough to be easy targets could be dealt with.
>
> "Although it may be natural at a time like this for Governmental agencies to imitate regulations which have been established in other countries, it should be pointed out that there is danger in applying ready-made formulas from abroad in the attempt to meet the needs of the hour in the United States.
>
> * * *
>
> "The bane of those countries in which strict regulation of goods and prices have been attempted has been the development of 'black markets.' The prohibition law is a typical example of what a 'black market' can be. It means, of course, that the law-abiding, responsible business concerns will conform to requirements and that the racketeers will find rich new opportunities to profit at the expense of the consumer and legitimate business. . . .
>
> "The National Retail Dry Goods Association, through its War Service Committee, gave a great deal of study to the matter of retail price control by OPA and, with the backing of a number of other national retail associations, presented a simple and workable plan to the officials. This plan strongly advised against any attempt to fix over-all ceilings.
>
> "Instead, it recommended that any such price ceilings be on a selective basis and applied at the discretion of the Administrator only where necessary. It was the conviction of the retailers that competition at the retail level and the cooperation of retailers in the purposes of the Government would do more to keep prices at a proper level than any price control efforts by Government.
>
> "It is worthy of note that when Leon Henderson appeared before Congress in connection with the Price Control Act he volunteered the statement that retailers by their voluntary efforts had 'done a good job' in keeping prices down. The situation has not changed. They still are doing a good job and there appears to be no justification for such action as now is being discussed."

Federal Reserve Board Issues Rules For Financing Of War Contracts

The Board of Governors of the Federal Reserve System announced on April 11 the adoption of Regulation V to carry out the President's Executive Order of March 26, for the purpose of facilitating and expediting the financing of war production. The Board announces that "the regulation was adopted after consultation with the War Department, the Navy Department, and the United States Maritime Commission following conferences in which representatives of the War Production Board participated. The objective, as set forth in Regulation V, is to facilitate and expedite production for war purposes by arranging for the financing of contractors, subcontractors and others engaged in businesses or operations deemed by the armed services and the Maritime Commission to be necessary for the prosecution of the war." The Reserve Board also states that "the War Department has sent initial instructions to the Federal Reserve Banks covering the authority and procedure to be followed by them in acting for the War Department under the Board's regulation. The program embraces financial aid for contractors and subcontractors, both large and small, and contemplates the maximum participation of small business enterprises in war production."

The Reserve Board's statement further explained:

> Regulation V prescribes general rules and policies to govern the operations of the 12 Federal Reserve Banks, which will act as fiscal agents of the armed services and the Maritime Commission in carrying out the President's Executive Order. The utilization of the facilities of the 12 Federal Reserve Banks and their 24 branches throughout the United States makes it possible to decentralize the war financing program to a large extent. The program looks to the fullest possible participation by the banks of the United States, whether members or nonmembers of the Federal Reserve System, in the financing contemplated under the authority of the President's Executive Order.
>
> Under the Executive Order the three military procurement agencies are authorized to guarantee commercial banks, Federal Reserve Banks, the Reconstruction Finance Corporation, or other financial institutions against loss on loans made to concerns to finance the performance of war orders. The primary aim is to expand and expedite war production. Accordingly, peace-time credit rules or standards, as the President stated at the time of signing the Executive Order, must not be permitted to hold up production of war supplies needed by the armed forces.
>
> The Board's regulation authorizes the Federal Reserve Banks, acting in accordance with the provisions of the President's Executive Order and the instructions of the three military procurement agencies, to arrange loans and guarantees thereof wherever it is believed that they will contribute to the obtaining of maximum war production expeditiously.
>
> To assist in carrying out the provisions of the President's Executive Order and to aid in decentralizing operations under it as fully as possible, the War Department plans to have a liaison officer stationed at each Federal Reserve Bank. Generally speaking, the liaison officer will certify to the Reserve Bank that an applicant for financing is qualified from the technical or production standpoint to carry out a contract, subcontract or order for war supplies or equipment.
>
> It is expected that any applicant will first take up his credit needs with his commercial bank or other financing institution. When the necessary credit cannot be arranged by the financing institution without the assistance of the War Department, the financing institution will apply to the Federal Reserve Bank for a guarantee of a part or all of the proposed financing. After certification by the liaison officer, it will be the Reserve Bank's function to analyze the financial aspects of the application, including the integrity of the management, and determine the type of financing best suited to meet the situation.
>
> Under the initial instructions of the War Department, and upon appointment of liaison officers, guarantees or loans up to prescribed maximum to be determined by the War Department will be made at the Federal Reserve Bank without reference to Washington.

President Roosevelt's order authorizing financing of war contracts was given in our issue of April 2, page 1360.

In a circular sent to financing institutions in the Second Federal Reserve District, Allan Sproul, President of the New York Reserve Bank, states that it is recognized that financing institutions have already extended a large volume of credit to those engaged in war production, and it is not intended to change the course of this financing. "This program," Mr. Sproul explains, "contemplates that wherever possible additional financing will be provided through the usual sources."

He further says:

> Expanding production has, however, created an urgent demand for credit which in many cases can not be provided on the usual basis, and the program is intended to provide a means whereby credit in such cases can be made promptly available.
>
> Prospective borrowers should first consult their own banks. If the situation appears to be such as to require handling under this program, application should then be made for a loan under terms to be negotiated.

Petroleum And Its Products

Officials of the Nation's 22 oil-producing States were asked by Petroleum Coordinator Harold L. Ickes to provide through "voluntary cooperation" sufficient oil to maintain the vast fighting machine of the United Nations at the initial meeting in Washington Tuesday of the National Conference of State Petroleum Regulatory Agencies, held at Mr. Ickes' request. Mr. Ickes further told the assembled oilmen that American soldiers and sailors do not care "whether oil for their machines comes from this country or Timbuktu as long as there is sufficient supply for an indefintely long period into the future."

Gov. Leon C. Phillips of Oklahoma, Chairman of the Interstate Oil Compact Commission, was unanimously elected temporary Chairman of the Conference. Attending the Conference were representatives of the governments of the various producing States joining in the program for mobilizing oil resources of the country, in cooperation with the Office of the Petroleum Coordinator, for the duration of the war emergency. The members thus will contribute their counsel in the coordinated program along with the various committees representing major divisions of the oil industry itself, and with the Petroleum Industry War Council.

Mr. Ickes called upon the State officials to back "strong, active, effective State laws" for the conservation of all petroleum liquids which, he said, he regretted, has not been true to date since some oil producing States have failed to cooperate in this respect. The Conference was reassured by the Petroleum Coordinator that the Federal Government does not plan to take over the oil industry or to usurp State regulatory prerogatives unnecessarily. Mr. Ickes pointed out, however, that "just as war requires national mobilization of all resources, the Government has been forced to assume some authority over oil production and conservation for purposes of efficiency."

The Petroleum Coordinator stressed, however, in speaking to the oilmen that the OPC to date has "requested"—not ordered—State cooperation with its production and conservation efforts. The Tuesday meeting represented the final step in Mr. Ickes' program to organize all phases of petroleum production for voluntary cooperation with the OPC. Industry committees have been organized for each oil producing and consuming area, and an over-all industry group—the Petroleum Industry War Council—has been set up in Washington to work directly with the Office of Petroleum Coordination.

Preliminary details of a program calling for the re-location and extension of pipelines to provide for a greatly increased overland movement of crude oil to the refining areas on the East Coast from the Southwest producing fields to meet the shortages caused by the transportation bottleneck created by tanker losses through submarine sinkings and military diversion and to be undertaken immediately under an emergency setup were announced in Washington on Monday by Petroleum Coordinator Ickes.

The plan, as suggested by a pipeline subcommittee of the Petroleum industry and approved by Mr. Ickes, provides for the digging up and relocating of more than 1,400 miles of second-hand pipe and for the installing of huge quantities of used tankage and pumping equipment. The increased movement thus obtained would be further supplemented by increasing the facilities of some lines and reversing the flow of others.

Of ten specific projects recommended by the subcommittee, according to Ralph K. Davies, deputy coordinator. "most of them can be and should be undertaken at once so that the work may be completed and the facilities placed in operation at the earliest possible date. Naturally, the job will be tremendous, involving as it does the actual taking up of existing lines and, in some cases, the relaying of pipe at places from 500 to 600 miles distant from the original location.

"It's a job, however, that must be done," he continued. "So far as this office is concerned, we are proceeding on the assumption that overland transportation must be built up to the point where it can meet—if necessary—all of the minimum essential requirements of the Atlantic seaboard for petroleum and its products." The proposed projects, on which detailed engineering reports will be available in a few days, involve the use of eight, 10, 12 and 14-inch pipe which can be obtained from existing facilities now either idle or in operation between places which can be served by other means.

The War Production Board ordered a second reduction in gasoline deliveries to service stations and bulk consumers in the areas where curtailed schedules already were in effect, the new order being posted April 9 to become effective a week later. Deliveries were cut to 66⅔% of average deliveries last December, January and February, adjusted for seasonal variations. The original order, posted when transportation difficulties first became apparent, restricted these deliveries to 80% of the amount received in that base period.

The amendment provides that the April quotas in the East Coast and Pacific Northwest areas already signified as curtailment sections, are to be reduced proportionately to reflect the second cut in supplies. Service stations and bulk consumers may receive 80% of half their monthly quota before April 16 and 66⅔% of half their quota during the remainder of the month, the WPB ruled. The order applies in 17 Eastern States, the District of Columbia, Oregon and Washington, and the City of Bristol, Tenn., was added to the curtailment area.

In commenting upon the new cut ordered by the WPB, Petroleum Coordinator Ickes said that card rationing of gasoline may be avoided if the public cooperates on the new reduction. He pointed out that the original 20% cut in supplies had not "pinched the public" and that there had been "surprisingly few" complaints. If this new cut works out satisfactorily, Mr. Ickes declared, "we may go to Mr. Henderson and say we see no necessity for rationing." He added that card rationing would be a very cumbersome operation, difficult to work out satisfactorily and should be avoided if possible.

The Petroleum Industry War Council this week recommended that gasoline stations, already operating on curtailed schedules on the East Coast and Pacific Northwest by order of the War Production Board, be placed on limited operating schedules throughout the nation. William R. Boyd, Jr., Chairman of the Council, announced in Washington over last week-end that the regular monthly meeting of the Council had seen the adoption of a resolution asking Petroleum Coordinator Ickes to recommend issuance by the WPB of an order which would limit filling station operators in areas not now under restriction to 12 hours daily, with an 84-hour week.

The Council's marketing committee, which originated the project, said that such action was necessary to conserve electricity for war industries, because of a growing shortage of experienced labor; and to give service station operators "the opportunity to lead a more normal life." Mr. Boyd disclosed that the Council also had adopted, among others, a resolution requesting recommendations from the District 2, 3, 4 and 5 marketing committees of available fuel oil supplies and essential demands in those districts in view of the fact that present withdrawals to meet demands "in the existing shortage areas may result in the shortage of fuel oils in areas which now have adequate supplies."

Sharp expansion of crude oil production in California was the major factor in a spurt of 100,615 barrels in daily average crude oil production in the United States during the week ended April 11 to 3,540,465, according to figures compiled by the "Oil & Gas Journal." In addition to California, Texas, Louisiana and Oklahoma showed higher output figures with Kansas and Illinois the major States showing lessened crude oil held in the United States at the close of the April 4 week were off 1,440,000 barrels to 261,768,000 barrels, the Bureau of Mines reported this week. Stocks of American crude dipped 1,124,000 barrels, with foreign oil inventories off 316,000 barrels.

Production of a minimum of 300,000 tons of synthetic rubber yearly for civilian use—over and above the 700,000 tons already planned by government agencies—was recommended by the Petroleum Industry War Council in Washington this week and it was urged that immediate steps be taken to provide the money and allocate construction materials necessary for their rubber output. A special committee representing the entire industry was appointed to make an immediate study of the problem of synthetic rubber, especially butyl rubber, with the purpose in mind of determining properly its practicability in meeting the tire shortage. Mr. Ickes, in commenting upon the proposal, said he would be "delighted if such a program could be worked out as it would help solve the tire shortage as well as aid the oil industry."

The dispute between the Mexican Government and the American oil companies whose properties were expropriated in early 1938 appeared to be moving into the final stages of the settlement recently arranged by the State Department with the return to Mexico City this week of M. L. Cooke, the American oil expert, to confer with M. J. Zevada, the Mexican oil expert, on final evaluations of the expropriated properties.

There were no crude oil price changes posted this week.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$3.00
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

The increased movement of gasoline by tankcars from the midcontinent was reflected this week in a check in the declining price trend with tank car, or wholesale, quotations moving up ⅛ cent a gallon on the low side on April 13. Since late February, when prices started sliding after holding firm from April, 1941, quotations were off ⅝ cents a gallon as ⅛ cent a gallon reduction became almost regular weekly developments.

The midcontinent strength meant nothing as far as the Gulf Coast was concerned, with constantly rising stocks at the latter exerting a depressing influence upon the price structure there. Despite the curtailed refinery operations, the Gulf Coast has been and still is faced with the problem of backing up supplies since transportation facilities to the heavy consumption East Coast area have been crippled by submarine attacks and military diversion of tankers.

The East Coast industry is seeking—and has every hope of obtaining—an advance in the price of all refined petroleum products sold in this territory of about 2½ cents a gallon to offset the sharp increase in tanker rate surcharges put into effect by the Maritime Commission on April 1. The advances are asked because they are vitally important to the industry—currently faced with the problem of selling refined products at substantial losses daily—and the optimistic viewpoint is because oilmen can not see the Government refusing a fair price advance to compensate for transportation costs advanced by action of one of the chief Government agencies.

Canadian Oil Coordinator G. R. Cottrelle, at Mr. Ickes' invitation, conferred with the Petroleum Coordinator briefly in Washington Tuesday. It was indicated by OPC officials that Mr. Ickes was anxious to see Mr. Cottrelle in order to obtain for American tourists in Canada the same amount of gasoline available to Canadian tourists in this country, particularly in New England.

Dealer rationing of gasoline this summer by coupons or other methods will be unnecessary, according to S. A. Herzog, counsel for the Eastern States Gasoline Dealers Association, who said in New York this week that while he believes that the amount of gasoline permitted dealers will be cut from the present 66⅔% of last year's supply to 50% by summer, he was convinced that "dealer rationing can do the job."

Price changes follow:

April 13—Bulk gasoline advanced ⅛ cent a gallon on the low side in the midcontinent.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vacuum	$.098
Tide Water Oil	.098
Texas	.098
*Shell Eastern	.098
Other Cities—	
Chicago	.05⅜-.05⅝
Gulf Coast	.055-.625
Oklahoma	.05⅜-.05⅝

*Super.

Kerosene, 41-43 Water White, Tank Car F. O. B. Refinery

New York (Bayonne)	$.057
Baltimore	.058
Philadelphia	.058
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04⅜-.045

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.55
Diesel	2.318
Savannah, Bunker C	1.50
Philadelphia, Bunker C	1.55
Gulf Coast	.85
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28.30 D	.053
Tulsa	.03⅝

From Washington

(Continued from First Page)

Other current feuds: Leon Henderson and Morgenthau. The former is being pressed on all sides to take more drastic steps to prevent inflation, such as greatly increased price-fixing and rationing. Henderson particularly hates to go into an overall rationing system. Fighting against it, he wants a larger tax bill from Henry. Recently, he said Henry's tax bill was no tax bill at all. Henry replied petulantly that he would revise his bill only at the direction of the President, not at the suggestion of one who "had nothing to do with it."

Ickes complains to friends that Hopkins and Wallace never tell him anything, that they have cut him off from the White House.

Biddle and Arnold. We are frequently asked if Thurman's recent broadside against Standard Oil forecast a government war on cartels when peace comes. The answer is that Thurman's activities don't forecast anything insofar as the Administration is concerned. He is a lone operator. Recently it was announced that anti-trust prosecutions would not be pressed against corporations playing ball with the Government in war production. The decision was taken at the behest of Donald Nelson and the war and navy officials. But a further check-up discloses that the irrepressible Thurman got on the President's neck and now it is the order that it is up to him to say whether non-prosecution is essential to the conduct of the war. In other words, Nelson, the Army and Navy can certify an industry and its particular set-up or even a proposed set-up as being essential to the conduct of the war. But Arnold will have the say as to whether this is really the case. It brings the situation right back to where it was.

Thurman is uncontrollable; you can never tell when he will break loose.

One of the most significant developments around Washington recently is Wallace's going on the warpath against the "take the country off wheels" school, that is to say, the crowd which has been taking a seeming sadistic delight in saying that there will be no tires for civilian use for the duration of the war. Henderson is the most vociferous of the school. As fast as someone would dig up a new idea for civilian tires, find a new hope, this school would pooh-pooh it and explain that even if tires were developed that way the military and our allies would need them all. Their continual warning has been that the country may as well become reconciled to going without tires as soon as those it now has on its automobiles, trucks and busses wear out.

Some authorities have even contended that with only 5,000 tons of raw rubber, together with the plentiful supply of reclaimed rubber, the civilian tires could be recapped. But Henderson and his school have insisted that not even the 5,000 tons could be spared.

Into this situation, Wallace has come forward with a warning that some way had BETTER be worked out by which this country can be kept on wheels. He is tired of the seeming glee of the negative school. His warning doesn't produce tires, of course. But it serves the purpose of checking the negative school and turning the thinking in another direction. Jesse Jones' revelation that the British at the time of Pearl Harbor had accumulated a stock pile of only 100,000 tons of crude rubber whereas we had a stockpile of 700,000, gotten out of the East over the repeated obstacles of the British-Dutch cartel and that our own rubber predicament now is caused by our having to spread our stock all over the world, has not set well with the country, the reports to Washington indicate. The warning that the country simply CANNOT be taken off wheels goes a long way to insuring that it won't be. Rest assured of that.

To Buy Bolivia Copper

The Bolivian Foreign Office announced on April 7 that an agreement had been reached in Washington whereby the United States contracted to buy Bolivia's entire copper production, which is expected to total 6,500 tons annually, according to Associated Press advices from La Paz. The contract with the United States Metal Reserve Company, the dispatch added, also called for the acquisition of 1,800 tons of copper now on hand. The transaction was said to be similar to one between Chile and the United States.

Reserve Banks Report On Business

(Continued from First Page)

preliminary data now at hand, it appears that industrial conditions in March were similar to those which have characterized recent months. The forward drive toward greater production of war goods continued, while output of consumers' durable goods declined further," says the Bank, which added:

> Accompanying some easing of the scrap shortage, steel production advanced gradually during March and by the end of the month it was estimated that the mills were operating at virtually their full rated capacity. It is reported that movement on the Great Lakes of iron ore and coal is beginning much earlier than usual this year. Output of bituminous coal apparently declined considerably less than usual in March, while electric power production, seasonal factors considered, was maintained at the high rate of February. Incomplete figures indicate that railroad loadings of merchandise and miscellaneous freight increased over the relatively high level of the preceding month, although the gain does not appear to have been so large as in most preceding years; loadings of bulk freight declined moderately, more or less in line with seasonal expectations.

* * *

In February the bank's seasonally adjusted index of production and trade declined two points to 112% of estimated long-term trend, following an advance of 3 points in January. The index for February, 1941, stood at 105. The failure of retail trade to show its usual increase, over the relatively high level of January, accounted primarily for the drop in the general index in February.

The bank further explained:

> Spurts in retail trade have been principally responsible for the irregularities in the course of the production and trade index since last summer. The production component has tended upward with relative steadiness, although divergent tendencies between the output of producers' and consumers' durable goods have become more sharply drawn as further progress has been realized in the conversion of industries formerly producing civilian goods to war manufacture. The mounting output of war materials was reflected in a further advance during February in the component group index of production of producers' durable goods. On the other hand, the complete suspension of passenger car production early in the month accounted largely for a pronounced drop in the consumers' durable goods index.
>
> As in recent months, the output of nondurable goods in the aggregate remained practically unchanged between January and February after seasonal adjustments. The daily rate of railroad loadings of merchandise and miscellaneous freight was somewhat higher in February than in January, while the movement of bulk freight continued at about its previous rate.

	1941		1942	
	Feb.	Dec.	Jan.	Feb.
**Indexes of Production and Trade* (100 = estimated long-term trend)				
Index of Production and Trade	105	111	114*p*	112*p*
Production	107	118	120*p*	120*p*
Producers' goods—total	112	133	140*p*	143*p*
Producers' durable goods	116	146	151*p*	156*p*
Producers' non-durable goods	109	119	127*p*	128*p*
Consumers' goods—total	100	101	97*p*	92*p*
Consumers' durable goods	101	74	68*p*	51*p*
Consumers' non-durable goods	100	110	105*p*	106*p*
Durable goods—total	111	124	127*p*	125*p*
Non-durable goods—total	104	114	115*p*	115*p*
Primary distribution	97	110	109*p*	110*p*
Distribution to consumer	106	98	103*p*	96*p*
Miscellaneous services	100	111	108*p*	110*p*
Cost of Living, Bureau of Labor Statistics (100 = 1935-39 average)	101	111	112	113
Wage Rates (100 = 1926 average)	117	129	131*p*	
**Velocity of Demand Deposits* (100 = 1935-39 average)				
New York City	56	64	63	62
Outside New York City	87	93	89	90

p Preliminary. *Adjusted for seasonal variation.

Third (Philadelphia) District

War demands continue to give strong impetus to general business and industrial activity in the Third Federal Reserve District, it was noted in the Philadelphia Reserve Bank's "Business Review" for April 1. The bank further said:

> New and expanded plants are pushing operations higher in industrial centers. Other factories and shops are turning to an increasing extent from peace to war activity. Employment has expanded to new high levels and payrolls have reached new records. Consumers are buying actively and the stream of funds is augmented by increasing bank loans to industry. Wholesale and retail trade and the movement of freight continue heavy. Shortages are spreading over a wide range of goods, and the pressure of increased incomes upon increasingly limited supplies is forcing prices upward.
>
> General industrial production in the district reached a new peak in February. Manufacturing activity increased in both durable and nondurable lines and operations in heavy goods industries are sharply above a year ago. Output of anthracite expanded substantially in the month and bituminous coal production is unusually well sustained. Output of oil and power continues at high levels.

Fourth (Cleveland) District

In its Mar. 31 "Monthly Business Review" the Federal Reserve Bank of Cleveland reports that Fourth District industry operated at a high rate in February and the first part of March as additional gains in war lines counterbalanced further retrenchment in civilian industries. The bank's summary further said:

> Improvement was evident in most lines related to the war effort in February. Tool production was up slightly to a new high level, after allowance is made for length of the work month. Plants manufacturing parts and subassemblies expanded output further. More coal was mined in this district last month than during any February in 13 years.
>
> Operations at steel mills advanced in late February and early March to successive record levels. Spotty inprovement in the flow of scrap metal to melters and greater use of pig iron was reported.
>
> Fourth District department store sales in February declined from the record January level, but exceeded those of a year ago by 22%.

Fifth (Richmond) District

The Federal Reserve Bank of Richmond, in its "Monthly Review" of Mar. 31, reports that "February is usually a between-seasons month, and business is relatively slow, but this year seasonal influences were much less in evidence than in normal times, and nearly all recessions in trade and industry from January levels were due chiefly to the shorter month." "The general level of business last month," it is added, "was far above the February, 1941, level, the rise being accounted for in large part by the prominent part defense work is playing in Fifth District industries." The review goes on to say:

> The distribution of available consumer goods continued at rent high levels in February.
>
> Fifth District industry continues full-time operations, and additional plants are shifting to war work, especially in metals and textiles. Cotton textile mills in the district consumed 18% more cotton last month than in February, 1941, and only 5% less than the record consumption set in January this year.

Sixth (Atlanta) District

In its Mar. 31 "Monthly Review," the Federal Reserve Bank of Atlanta reports that "in February cotton textile activity in the Sixth Federal Reserve District advanced to a new high level and building permits issued at reporting cities increased somewhat." The bank further reported:

> Merchandise distribution through both retail and wholesale channels declined, in comparison with the more favorable reports for January, but continued well above the corresponding month of last year, and department store sales were at a new high level for February. Construction contracts awarded in the district declined further in February and were less than they were a year ago, and pig iron production was at a rate 3% below the record level reported for January and February last year.

Seventh (Chicago) District

Business in the Seventh Federal Reserve District during February and the first half of March reflected the transition to a full war economy, it is reported in the April "Business Conditions" of the Chicago Federal Reserve Bank. The bank's review also had the following to say in part:

> Production and employment rose in some industries and fell in others as the combination of capital, materials, equipment and men united quickly on new products or encountered delays because of changeover problems, restrictions and shortages. The result has been a decrease in employment and in payrolls although both were of slight proportions. Retail trade was harried by occasional stampedes of buyers who were alarmed by announcements of future rationing or impending restrictions. Retail prices moved up slightly, carrying the increase to 18% over levels of a year ago.
>
> Each month the steel industry crowds production to new levels and exceeds its rated capacity by larger and larger amounts. During February, the rate was 102.6%, but this was further increased to a weekly average of 103.8% during the first four weeks of March.
>
> Output of bituminous coal in the producing states of the Seventh District was at a slightly lower rate in February than in January and showed a further decline in the early part of March.

Eighth (St. Louis) District

The Federal Reserve Bank of St. Louis reports that "manufacturing, distribution and trade in the Eighth District held at high levels of activity during February and early March, although total volume of goods produced, transported and sold was somewhat smaller in February than in January, due to the shorter month." In its Mar. 31 "Business Conditions" the St. Louis Bank further states:

> Lumber production in the Eighth District was at practically full capacity during February, with both orders and shipments exceeding production. The rate of operations declined somewhat in early March but was still at a high level. Preliminary estimates of boot and shoe production in the district in February indicate a 5% drop from January output due primarily to a shorter month.
>
> Primary distribution in the Eighth District during February showed a small seasonal decline from January, but was in considerably greater volume than a year ago. Livestock, grain and fuel loadings showed decreases, while movements of industrial commodities showed some increase.
>
> The retail buying wave that was evident in January subsided somewhat in February.

Ninth (Minneapolis) District

The Federal Reserve Bank of Minneapolis, in its "Monthly Review" for Mar. 28, indicates that "February business activity in the Northwest declined from January but was at the highest February level on record." The bank's summary adds:

> Although a few of the seasonally corrected indexes declined slightly from the unusually high January peaks, most of the series were about 30 points above February, 1941, which was considered the best February since 1930. The country department store sales index stood at 152, the highest February on record, and compared with 124 a year ago, while the index of city department store sales at 134 was 23 points over February last year. Even though the February sales volume was large the index of stocks at city department stores advanced 2 points to 132, the highest since 1929. All indexes of check payments continued at very high levels, the total carloadings index was the highest February since 1931, and the country lumber sales index also advanced sharply to 178, the highest since 1920.

Tenth (Kansas City) District

The following regarding business and agricultural conditions in the Tenth Federal Reserve District was reported in the Kansas City Reserve Bank's "Monthly Review" of Mar. 30:

> Trade is active, bank loans are almost a third higher than a year ago, a large volume of live insurance is being written, and employment is 10% above last year.
>
> Grain marketings are large and the same is true of cattle and sheep. Cattle slaughter, flour and petroleum production and coal mining are in large volume.

Eleventh (Dallas) District

According to the Apr. 1 "Monthly Business Review" of the Federal Reserve Bank of Dallas reports, "the influence of the war effort upon the national economy and the attendant readjustments necessary to effect a coordinated program of production and distribution are having an increasing effect upon operations in some lines of industry in this district." The bank's review adds in part:

> In the petroleum industry, production of crude oil and refinery operations are being curtailed substantially in order to bring about a better alignment between supplies and the effective demand. Drilling of new oil wells has also been reduced in order to conserve strategic materials. At the same time, construction activity is being well sustained, due chiefly to large awards for publicly-financed defense projects. . . . Cotton consumption at processing establishments in Texas during February was at a slightly slower rate than in that month a year earlier. Although the volume of sales at retail outlets in this district declined somewhat from January to February, consumer purchases continued well above those of a year ago. Distribution of merchandise through wholesale channels during February was nearly one-fourth higher than in February, 1941.

Twelfth (San Francisco) District

"Industrial activity continued to increase in the Twelfth District during February with the construction of ships and aircraft and production of other war materials accounting for an increasing proportion of the total," it was indicated in the Apr. 2 "Business Conditions" report of the Federal Reserve Bank of San Francisco. The bank further said:

> Construction of additional facilities for the production of military equipment and supplies continued active and further plant conversions were made during the month. While it appears that local facilities still available for the war effort have not been exploited as fully as possible, the rise of war production will continue to be the result of expansion rather than conversion of plant facilities to a greater extent in the Twelfth District than in the country as a whole.
>
> Layoffs because of curtailment in production of civilian goods in January were concentrated in automobile and rubber plants, while in February they occurred principally in job foundries and other metal working plants which had not obtained war contracts. Outside the strictly industrial field, curtailment in employment has occurred in retail automotive, motion picture and general contracting lines.

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

CHARTER ISSUED

	Amount
Apri. 7 — Farmers-Merchants National Bank of Paxton, Paxton, Ill.	$50,000

President: E. D. Given. Cashier: W. R. Watts.

Conversion of: Farmers & Merchants Bank of Paxton, Paxton, Ill.

VOLUNTARY LIQUIDATION

	Amount
Apr. 7—The Haddonfield National Bank, Haddonfield, N. J.	$299,000
Common stock	100,000
Preferred stock A (RFC)	99,000
Preferred stock B (local)	100,000

Effective Mar. 3, 1942.

Liquidating Committee: Lewis E. Graff and R. E. Townsend, care of the liquidating bank.

Succeeded by: "Haddonfield National Bank," Haddonfield, N. J.

COMMON CAPITAL STOCK INCREASED

	Amount
Apr. 9—First National Bank in Loveland, Loveland, Colo. From $50,000 to $100,000	$50,000

Appointed to CCC

Secretary of Agriculture Wickard announced on April 7 the appointment of Oscar Johnston of Mississippi, as Special Representative of the Commodity Credit Corporation. In addition to assisting in the administration of CCC's domestic cotton program, Mr. Johnston will assist in the supervision of the Corporation's foreign operations with respect to cotton and will undertake a study of plans to stimulate international trade in cotton in the post war period.

Mr. Johnston is a cotton producer and is President of the National Cotton Council of America. In the past he has been connected with the Department of Agriculture in various capacities, having served as Vice-President of Commodity Credit Corporation, Director of Finance for the Agricultural Adjustment Administration, and Manager of the Cotton Producers Pool.

Problem Of Deficient Bank Capital Best Solved By Attention To Assets: Crowley

Pointing out that recent events lend new importance to capital ratios, Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, in an address on April 7 stated in summary that "I believe the problem of deficient bank capital can best be solved today by bankers and supervisors through attention to bank assets, both in acquiring new assets and in properly pricing those they already hold; by operating economies, conservative dividend policies determined only after elimination of all known losses and depreciation; by retention in capital accounts of a large portion of current earnings; and by special attention to the relatively few problem cases, with courage to eliminate unsound units when it becomes necessary." "To only a minor degree," he said, "can we look to the sale of new private capital or to the Government for relief of acute situations."

Prepared for delivery before the Wisconsin Bankers Conference, Mr. Crowley's address, bearing the caption, "Bank Capital Ratios Today," was read in his absence by R. L. Hopkins, Chief Examiner for the FDIC in the Wisconsin area. The Conference was held at the University of Wisconsin at Madison, Wis. Mr. Crowley observed in his address that "bank assets continue to grow at steadily high rates, further distorting their relationship to relatively static capital accounts." "The uncertainties growing out of our active participation in the war add many complications to an already knotty problem," he said, and he added "it is particularly timely, therefore, that I outline for you today what we in Federal Deposit Insurance Corporation are currently thinking and doing about the capital ratios of insured banks." He noted that "as the cushion which protects banks against fluctuations in values and other broad economic forces, bank capital is a major concern of each insured bank and, in a broad sense, of our whole economic structure." "In its more tangible, immediate role as the primary margin of safety overlying bank deposits," he stated, "bank capital is a matter of important, selfish concern to the depositing public and to FDIC."

"By whatever standards we measure," Mr. Crowley said, "there are today several banks with capital deficiencies of varying degree. When we face the problem of repairing these deficiencies, our attention must be focused both upon capital and upon assets. Any remedy for the deficiency must take into consideration both factors in the ratio, the cushion and the weight upon the cushion." In part, he also had the following to say:

> In the great majority of banks, the most promising and fruitful avenue of approach to the problem of capital deficiencies lies in bank assets, the second factor of the capital ratio. Improvement in bank assets is the influence that has helped most to ease the seriousness of the decline in capital ratios. It is likewise the aspect of the capital problem about which most can be done now and in the future.
>
> Care in the selection of earning assets continues to be the primary responsibility of bank managers, particularly in these times of stress when they are urged to give weight to many factors other than intrinsic soundness in making their decisions. Thoughtful bank management will temper the enthusiasm of borrowers who become too visionary. Also it will profit by our experiences with mortgages and require that borrowers make provision for regular reductions, if not complete repayment, of their loans at intervals so that they will not be faced with debts which cannot be liquidated when the war is over. Do not misunderstand me; banks can and should continue to assist in our war effort. However, let none be misled into the belief that bank credit standards should be relaxed now. The war effort will not be aided by any basically unsound credit advances, and the task of post-war readjustment will be made harder by each of them.
>
> Bank managers should move promptly, too, to take advantage of improved markets to dispose of substandard assets which now burden their institutions. In many localities improvement in the real estate market has given banks a splendid opportunity to reduce their other real estate accounts. Managers who fail to take advantage of this condition are really derelict in their duty. Even in localities where markets still do not permit realization of book values on other real estate, bankers should still get busy on reduction of that account, since it is unlikely that any better prices than those that presently prevail will be obtained.
>
> There should also be a particular incentive for bankers today to charge out known losses and depreciation in their assets. Bank earnings generally are at their highest level in many years, and as tax deductions, charge-offs will assume new justification.

In conclusion, Mr. Crowley said:

> It is important, too, I believe, that we not lose our perspective. In the last analysis, the question of bank capital is but one aspect of the many-faceted basic problem of bankers and supervisors, namely, maintaining public confidence in our financial institutions. It is an important aspect because, like Federal deposit insurance, it is a tangible, measurable indication of safety, readily understood by the public. Banks with sizable capital ratios have been known to fail when they drew public suspicion, while banks that momentarily were barely solvent have weathered severe crises because the public had faith and confidence in their managers.
>
> Public confidence presupposes faith in the soundness of our banking system. That faith can be bolstered and solidified by good management and good supervision working in harmony with the Federal Deposit Insurance Corporation in the solution of our mutual problems as they arise. Our greatest contribution to our country's war effort is a sound banking system. We are fortunate, indeed, that it is sound now. Our duty henceforth will be to keep it that way.

Convicted Of Fraud

Jamieson D. Kennedy, William J. Hall, Don F. Whitaker, the National Printing Appliance Corporation, and Whitaker Brothers & Co., a New York investment firm, were found guilty in United States District Court on ten counts of mail fraud and conspiracy in the sale of stock of the National Printing Appliance Corporation, which was formed to promote the sale of a compound for cleaning printing matrices.

Found guilty on one count of mail fraud was Allan Bindler, President of Allan Bindler & Co., New York City, and the company itself.

Text Of U. S.-China Financial Aid Pact

Under the agreement signed in Washington on March 21, by Secretary of the Treasury Morgenthau and Chinese Foreign Minister T. V. Soong, the United States gives $500,000,000 in financial aid to China to enable it "to strengthen greatly its war efforts against the common enemies." It was pointed out in the agreement that the United States and China are engaged in a cooperative undertaking against common enemies and are signatories to the Declaration of United Nations and that Congress had unanimously approved the extension of the $500,000,000 credit.

Signing of the agreement, under which the final determination of the terms for the aid is deferred until after the war, was mentioned in these columns March 26, page 1260.

The text of the agreement follows:

Whereas, The Governments of the United States of America and of the Republic of China are engaged, together with other nations and peoples of like mind, in a cooperative undertaking against common enemies, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations, and

Whereas, The United States and China are signatories to the Declaration of United Nations of Jan. 1, 1942, which declares that "Each government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents with which such government is at war"; and

Whereas, the Congress of the United States, in unanimously passing Public Law No. 442, approved Feb. 7, 1942, has declared that financial and economic aid to China will increase China's ability to oppose the forces of aggression and that the defense of China is of the greatest possible importance, and has authorized the Secretary of the Treasury of the United States, with the approval of the President, to give financial aid to China, and

Whereas, such financial aid will enable China to strengthen greatly its war efforts against the common enemies by helping China to

(1) strengthen its currency, monetary, banking and economic system;

(2) finance and promote increased production, acquisition and distribution of necessary goods;

(3) retard the rise of prices, promote stability of economic relationships, and otherwise check inflation;

(4) prevent hoarding of foods and other materials;

(5) improve means of transportation and communication;

(6) effect further social and economic measures which promote the welfare of the Chinese people; and

(7) meet military needs other than those supplied under the Lend-Lease Act and take other appropriate measures in its war effort.

In order to achieve these purposes, the undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

ARTICLE I

The Secretary of the Treasury of the United States agrees to establish forthwith on the books of the United States Treasury a credit in the name of the Government of the Republic of China in the amount of $500,000,000. The Secretary of the Treasury shall make transfers from this credit, in such amounts and at such times as the Government of the Republic of China shall request, through the Minister of Finance, to an account or accounts in the Federal Reserve Bank of New York in the name of the Government of the Republic of China or any agencies designated by the Minister of Finance. Such transfers may be requested by and such accounts at the Federal Reserve Bank of New York may be drawn upon by the Government of the Republic of China either directly or through such persons or agencies as the Minister of Finance shall authorize.

ARTICLE II

The final determination of the terms upon which this financial aid is given, including the benefits to be rendered the United States in return, is deferred by the two contracting parties until the progress of events after the war makes clearer the final terms and benefits which will be in the mutual interest of the United States and China and will promote the establishment of lasting world peace and security. In determining the final terms and benefits full cognizance shall be given to the desirability of maintaining a healthy and stable economic and financial situation in China in the post-war period as well as during the war and to the desirability of promoting mutually advantageous economic and financial relations between the United States and China and the betterment of world-wide economic and financial relations.

ARTICLE III

This Agreement shall take effect as from this day's date.

Signed and sealed at Washington, District of Columbia, in duplicate this 21st day of March, 1942.

On behalf of the United States of America
(Signed)
HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

On behalf of the Republic of China
(Signed)
T. V. SOONG,
Minister for Foreign Affairs.

Chicago Mtg. Loans Lower

Borrowing on home mortgages in Illinois and Wisconsin began in 1942 with a larger volume in the metropolitan areas as compared with January, 1941, but a sufficiently smaller dollar volume in the other urban areas to keep the total just under that of the year before, the Federal Home Loan Bank of Chicago announced on March 29. Reporting on all home mortgages recorded by all types of lenders in the district, said the Bank, shows that 8,042 mortgages of under $20,000 each were negotiated in January for a total of $26,897,000. This was 0.7 of 1% less than last January and 17% less than in December. The Bank further reported:

> Savings, building and loan associations continued their lead among the sources of home mortgage money, accounting for 31.47% of the January financing.
>
> Big city borrowers got 3,389 of the loans recorded in the two states, amounting to $14,341,000 and this was 53.14% of all January home mortgage volume. For the same month a year ago the Milwaukee and Cook County percentage was only 50.1%. A. R. Gardner, President of the Federal Home Loan Bank of Chicago, says that the larger proportion of the home borrowings in the metropolitan areas, as compared with a year ago, is a reflection of the defense industry load which these areas are naturally carrying with its attendant need for houses, stepping up real estate markets along with other boom factors on the business scene.

Pa. Labor Bd. May Not Appeal Court Rulings

A ruling in which it was held that the Pennsylvania Labor Relations Board may not appeal Court decisions revoking its order or espouse any party's cause in litigations was handed down at Pittsburgh on March 23 by the State Supreme Court. The decision, which was written by Chief Justice William I. Schaeffer, contended that the State Labor Relations Act had not contemplated the Board becoming a litigant to cases tried before it and added that such a practice was contrary to the customs and traditions of the Commonwealth. Advices to this effect were contained in a Pittsburgh account to the New York "Times," which also had the following to say:

> The Court dismissed the Labor Board's appeal from a ruling of a Philadelphia Common Pleas Court which set aside the Board's order directing reinstatement with back pay for two members of the CIO United Auto Workers Union discharged by Heinel Motors, Inc., of Philadelphia.
>
> Justice Schaeffer's opinion interpreted the law as permitting appeal by either "party," but said the Board, a quasi-judicial agency, was not definable as a "party."
>
> According to interpretations of the opinion, unions hereafter must bear the expense of such appeal litigations, a burden shouldered by the Labor Board in the past.
>
> As some of the Board cases have been in the process of hearing, rehearing and appeal for as much as four years, few of the smaller organizations could undertake financing of prolonged litigation and the result is likely to be that many such complaints will have to be dropped.
>
> The ruling is directly contrary to Federal Court decisions governing operation of the National Labor Relations Board.

Tires For War Workers Only When Necessary

Tires will be made available to defense workers only when they cannot get to their jobs without them, Leon Henderson, Administrator of the Office of Price Administration, said on April 7. Mr. Henderson stated:

> In making a limited number of recapped tires available for List B passenger cars in April, the OPA was concerned only with the necessity of keeping war production lines and other essential operations from faltering. The national interest, and not the convenience of the war worker was the governing factor.

The restrictions applying to issuance of recapping certificates to List B applicants are in no way relaxed. The mere fact that a vehicle falls within the definitions of that list does not entitle it automatically to a recapping or retreading certificate. In fact it may well be that in locations where alternate means of travel are available the local boards will issue only a very few passenger car retreads or recaps to war workers.

Mr. Henderson called upon defense workers to be just as thrifty as anyone else in the matter of tires. He pointed out that replacements even at the April quota level cannot be counted on to continue and that the demand for tires will increase steadily as those now on vehicles wear out. "This means," he said, "that many workers who now drive their own cars to work and for pleasure will have to turn to some other transportation when their present tires give out.

Enact Measure To Increase Power Of RFC And Provide War Damage Insurance; Text of Act

We are giving below the text of the newly enacted measure to provide for the financing of the War Damage Corporation, and to extend the authority of the Reconstruction Finance Corporation. Reference to the final Congressional action on the bill appeared in our issue of April 2, page 1342, at which time also we reported the signing of the bill by President Roosevelt on March 27. As stated in that item, the RFC under the legislation is directed to continue to supply funds to the War Damage Corporation, and the aggregate amount of such funds, to be supplied only upon the request of the Secretary of Commerce, with the approval of the President, is not to exceed $1,000,000,000. The War Damage Corporation was set up last December with a $100,000,000 fund. Under the new law the borrowing power of the RFC is increased by an additional $2,500,000,000, largely for advancing funds for war plant expansions. The new law also authorizes the War Damage Corp. to establish from time to time uniform rates for each property to which war damage insurance is made available, "and in order to establish a basis for such rates such Corporation shall estimate the average risk of loss on all property of such type in the United States." The following is the text of the bill as enacted into law:

[Public Law 506—77th Congress]
[Chapter 198—2d Session]
[S. 2198]

AN ACT

To provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5d of the Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting immediately before the fifth paragraph thereof the following new subparagraph:

"(5) To acquire real estate and any right or interest therein by purchase, lease, condemnation, or otherwise, determined by the Corporation to be necessary or advantageous to the carrying out of any authority vested in any corporation created or organized pursuant to this section. The Corporation is also authorized to sell, lease, or otherwise dispose of any such real estate. Proceedings for such condemnation shall be instituted in the name of the United States pursuant to the provisions of the Act approved August 1, 1888 (25 Stat. 357), as amended, and any real estate already devoted to public use which would be subject to condemnation in proceedings instituted upon application of any officer of the Government shall likewise be subject to condemnation in proceedings instituted upon application of the Corporation as herein provided. Sections 1, 2, and 4 of the Act approved February 26, 1931 (46 Stat. 1421), as amended, shall be applicable in any such proceeding. Any judgment rendered against the United States in any such proceeding shall promptly be paid by the Corporation. Immediately upon the vesting of title in the United States of America in any such proceeding, the Secretary of Commerce, by deed executed by him in the name of the United States of America, shall transfer the entire title or interest so acquired to the Corporation, and the Corporation shall thereupon have the same rights with respect to any real estate so acquired as it has with respect to real estate acquired by purchase. The power to institute proceedings for condemnation in pursuant of this section shall terminate on June 30, 1944, or upon such earlier date as the Congress by concurrent resolution, or the President by proclamation, may designate, but no such proceedings instituted prior to such termination shall abate by reason thereof."

Sec. 2. The Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting after Section 5e thereof the following new sections:

"Sec. 5f. (a) Any department, agency, or independent establishment of the Government or any corporation all of the capital stock of which is owned or controlled, directly or indirectly, by the Government is hereby authorized, notwithstanding any other provision of law, to sell, transfer, or lease, with or without consideration, to the Corporation or to any corporation created or organized pursuant to Section 5d of this Act, any real estate and any right or interest therein.

"Sec. 5g. (a) The Reconstruction Finance Corporation is hereby directed to continue to supply funds to the War Damage Corporation, a corporation created pursuant to Section 5d of this Act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this subsection. Such funds shall be supplied only upon the request of the Secretary of Commerce, with the approval of the President, and the aggregate amount of the funds so supplied shall not exceed $1,000,000,000. The Reconstruction Finance Corporation is authorized to and shall empower the War Damage Corporation to use its funds to provide, through insurance, reinsurance, or otherwise, reasonable protection against loss of or damage to property, real and personal, which may result from enemy attack (including any action taken by the military, naval, or air forces of the United States in resisting enemy attack), with such general exceptions as the War Damage Corporation, with the approval of the Secretary of Commerce, may deem advisable. Such protection shall be made available through the War Damage Corporation on and after a date to be determined and published by the Secretary of Commerce which shall not be later than July 1, 1942, upon the payment of such premium or other charge, and subject to such terms and conditions as the War Damage Corporation, with the approval of the Secretary of Commerce, may establish, but, in view of the national interest involved, the War Damage Corporation shall from time to time establish uniform rates for each type of property with respect to which such protection is made available, and, in order to establish a basis for such rates, such Corporation shall estimate the average risk of loss on all property of such type in the United States. Such protection shall be applicable only (1) to such property situated in the United States (including the several States and the District of Columbia), the Philippine Islands, the Canal Zone, the Territories and possessions of the United States, and in such other places as may be determined by the President to be under the dominion and control of the United States, (2) to such property in transit between any points located in any of the foregoing, and (3) to all bridges between the United States and Canada and between the United States and Mexico: *Provided*, That such protection shall not be applicable after the date determined by the Secretary of Commerce under this subsection to property in transit upon which the United States Maritime Commission is authorized to provide marine war-risk insurance. The War Damage Corporation, with the approval of the Secretary of Commerce, may suspend, restrict, or otherwise limit such protection in any area to the extent that it may determine to be necessary or advisable in consideration of the loss of control over such area by the United States making it impossible or impracticable to provide such protection in such area.

"(b) Subject to the authorizations and limitations prescribed in subsection (a), any loss or damage to any such property sustained subsequent to Dec. 6, 1941, and prior to the date determined by the Secretary of Commerce under subsection (a), may be compensated by the War Damage Corporation without requiring a contract of insurance or the payment of premium or other charge, and such loss or damage may be adjusted as if a policy covering such property was in fact in force at the time of such loss or damage."

Sec. 3. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and have outstanding at any one time under existing law is hereby increased, in addition to the increase authorized in section 2 of this Act, by $2,500,000,000.

Approved, March 27, 1942.

Sees Vast Post War Real Estate Changes

Marked changes in the character of real estate are likely to occur when the war is over, Dr. Marcus Nadler, Professor of Finance at New York University and Assistant Director of the Institute of International Finance, told the bankers attending the Mortgage Clinic of the American Bankers Association at the Waldorf-Astoria in New York on March 27. "Great social changes are taking place throughout the country," Dr. Nadler said, in discussing "The Effects of Rent Laws on Real Estate." Stating that "the war and the heavy burden of taxation are bringing about a redistribution of wealth," Dr. Nadler said:

> It is evident that the purchasing power of people in the upper tax brackets is bound to be drastically curtailed and this in turn will undoubtedly affect real estate values of homes as well as of apartments catering to people in this category. This implies that the demand for large luxurious single-dwelling homes and apartments in the future will be very much smaller than in the past.
>
> On the other hand a new middle class is arising in the form of skilled labor whose wages have already increased considerably and who because of unionization will be able to maintain the present wage scale even after the war. This in turn implies a fairly good demand for houses as well as apartments catering to people with an income below $5,000.
>
> Real estate values during the war are bound to be favorably affected. In the first place, the construction of homes and of multiple dwelling houses outside of those areas favorably affected by the war effort will decrease sharply, partly because of the high cost of production but primarily because of shortages of raw material. At the same time the purchasing power of the people is constantly increasing and the demand for flats and houses is bound to increase.

Dr. Nadler pointed out that "while rent laws will set a limit to the increase in rents, the fact should not be overlooked that they do not apply to all types of property or to all localities." He went on to say:

> Furthermore, the market for real estate will continue to improve because of the general belief that real estate is a good hedge against inflation. Hence, it is reasonable to assume that many individuals who would not otherwise become purchasers of real estate will be in the market for such property as a protection against inflation. Whether or not real estate really is a hedge against inflation need not be considered in this address.
>
> However, not all factors at work are favorable for real estate. The war has already brought about a transfer in population to centers where new national defense plants have been erected. Some of these changes are only temporary but some in all probability will become permanent. The cost of repairs and of maintaining property has increased very sharply and it is doubtful whether in many instances this increase will be counteracted by an increase in rents.
>
> Rent laws imposed in periods of rising prices are another instance of the numerous problems that confront real estate owners, particularly in urban centers. While in themselves of considerable importance to owners of property and to mortgagees, they constitute only a comparatively minor phase of the broader problem that confronts real estate owners and mortgagees in general.

Vocation Schools Train For War Production

The training of men and women in the vocational schools in New York for war production work was described by James G. McDonald, Chairman of the Special Committee on Defense Training of the Board of Education, to members of the Chamber of Commerce of the State of New York at the monthly meeting on April 2.

Declaring that ten trained men would be returned to industry every few weeks for each trained man loaned by industry to the vocational schools of New York as teachers, Mr. McDonald urged members of the Chamber to sell the idea to local industrial plants having war contracts.

Devoting his talk mainly to a brief summary "of a service of supreme importance which the schools are rendering at this time"—the training of men and women for war industries, Mr. McDonald said:

> It is fortunate, indeed, that hundreds of splendidly equipped machine and metal trades shops and other types of essential equipment were set up in a score or more vocational and technical high schools during the last few years. These facilities have cost money it is true, but they enabled us, promptly on July 8, 1940, when the request came from the Federal government, to set up a far reaching program of special courses during out-of-regular school hours for upgrading and refreshing the skills of men already employed or employable in plants having defense contracts.
>
> Since that time, with the help of Federal funds—which thus far have amounted to approximately $4,000,000 — we have trained more than 80,000 men in our 23 centers in more than a score of specialized jobs for which local employers require workers. In all of these centers we have conducted sessions from 4 p.m. to 7 p.m. and from 7 p.m. to 10 p.m. and in 8 we have been running classes from 10 p.m. to 4 a.m. In addition to using our schools in this way we have also established classes in private plants and have leased, at a cost equal to the local taxes, the splendid building in Brooklyn which the New York "Times" erected a few years ago and are operating it 24 hours a day in training men for the aviation trades.
>
> Notable as this record is, we could do still better, and perhaps some of you can help us to do so if I tell you what our difficulty is. We have run short of teachers. In so far as it has been possible, we have worked our day school vocational teachers during the evening and night sessions and have obtained additional instructors from among the skilled workers in industry. We have found local employers quite willing to permit their "best" men—who, of course, are the ones we need—to teach *after* their usual working hours in the plant but not *in place* of those hours. This has meant that while we have had little or no difficulty in staffing our evening sessions to capacity—that is our classes running from 4 p.m. to 10 p.m.—we have been able to get enough teachers to conduct midnight sessions in only eight of our 23 centers. For, as I have said, these classes run from 10 p.m. to 4 a.m., and, since it is obvious that men cannot teach all night and work all day, too, we must require that all such instructors be debarred from other work.
>
> Perhaps, therefore, some of you who may have acquaintances in local industrial plants having war contracts can sell an idea which we have thus far been unbale to put across—that for each trained man they will now give us as a teacher we shall return to them ten trained men every few weeks in fields where they will no doubt be sorely needed. I am not a business man, but this looks like a good investment to me, particularly since the salaries of the teachers will be paid entirely out of Federal funds and the employers will be put to no expense whatever.

Feb. Urban Foreclosures

There were fewer urban foreclosures during February than in any month in the last 15 years, Federal Home Loan Bank Administration economists reported on April 4. The 3,630 cases estimated in February represented a 9% decrease from the 4,000 foreclosures in January, the previous low month, and were 27% below the figures for February, 1941. "The February decline of 370 cases, or 9%, from January is favorable in spite of the 6% decrease usually expected at this time of the year," according to the Bank Administration report. On the Bank Administration's seasonally adjusted index, using the average 1935-1939 month as a base of 100, nonfarm foreclosure activity dropped in February to 30.9, or nearly 70%. The report also states:

> Geographically, most sections of the country shared in the February decline in foreclosure volume, with increases registered in only 15 widely scattered states in the New England, Great Lakes and North Central areas.
>
> While the greatest percentage of foreclosure decline was registered in communities of 60,000 dwellings and over, the current rate of foreclosures per 1,000 dwellings in the largest communities was the highest. Conversely, the lowest percentage of decline was reported in communities of 5,000 dwellings and under, yet the foreclosure rate per 1,000 units is lower in this bracket than in any of the larger groups.

March Output And Shipments Of Slab Zinc

The American Zinc Institute on April 7 released the following tabulation of slab zinc statistics:

TOTAL SLAB ZINC SMELTER OUTPUT (ALL GRADES) 1929-1941
(Tons of 2000 lb.)

	Stock at Beginning	Production	Shipments Domestic	Shipments Exports & Drawback	Stock End of Period	Unfilled Orders End of Period	Daily Avge. Prod.
1929	46,430	631,601	596,249	6,352	75,430	18,585	1,730
1930	75,430	504,463	436,079	196	143,618	26,651	1,355
1931	143,618	300,738	314,473	41	129,842	18,273	822
1932	129,842	213,531	218,347	170	124,856	8,478	583
1933	124,856	324,705	343,762	239	105,560	15,978	890
1934	105,560	366,933	352,515	148	119,830	30,786	1,004
1935	118,005	431,499	465,687	59	83,758	51,186	1,182
1936	83,758	523,166	561,969	0	44,955	78,626	1,429
1937	44,955	589,619	569,241	0	65,333	48,339	1,615
1938	65,333	456,990	395,534	20	126,769	40,829	1,252
1939	126,769	538,198	598,972	0	65,995	53,751	1,475
1940	74,262	706,100	674,615	88,165	17,582	125,132	1,929
1941—							
Jan.	17,582	66,121	63,930	4,914	14,859	121,026	2,133
Feb.	14,859	61,603	57,663	8,155	10,644	108,151	2,200
Mar.	10,644	70,341	65,011	2,629	13,345	97,638	2,269
Apr.	13,345	68,543	65,035	5,379	11,474	95,256	2,285
May	11,474	73,449	61,696	11,394	11,833	98,435	2,369
June	11,833	70,837	61,546	10,023	11,101	92,583	2,361
July	11,101	74,641	62,714	9,180	13,848	81,456	2,408
Aug.	13,848	75,524	*60,861	*10,542	17,969	68,604	2,436
Sept.	17,969	73,225	*64,623	*7,144	19,427	67,079	2,441
Oct.	19,427	76,156	*61,525	*12,464	21,594	62,559	2,457
Nov.	21,594	74,861	*61,014	*12,259	23,182	79,301	2,495
Dec.	23,182	*78,654	*65,658	*12,112	*24,066	87,666	2,537
		*863,955	*751,276	*106,195			
Monthly Average		*71,996	*62,606	*8,850	Daily Average		2,367
1942—							
Jan.	†24,066	79,276	†67,252	12,165	23,925	110,552	2,557
Feb.	23,925	73,476	59,957	14,818	22,626	109,260	2,624
Mar.	22,626	79,139	61,564	18,499	21,702	103,297	2,553

PRODUCTION BY GRADES

Month	Spec. H.G.	High Grade	Intermediate	Brass Spcl.	Select	Prime Western	Total
1941—							
*Dec.	18,540	17,266	5,692	4,719	1,495	30,931	78,643
1942—							
Jan.	16,523	19,934	5,694	5,262	1,467	30,396	79,276
Feb.	14,705	19,427	4,447	5,721	2,560	26,616	73,476
Mar.	17,216	19,028	5,657	6,183	1,561	29,494	79,139

*Year-end adjustments. †Corrected figures.

Note—Commencing with January 1940, production from foreign ores is included in the monthly figures which reflect the total output at smelters of Slab Zinc of all grades, as reported by all producers represented in the membership of the Institute. The unchanged totals for previous years do not include production from foreign ores, which was not a vital factor in those years; this explains the discrepancy between stock shown at end of 1939 and at the beginning of 1940.

Retail Food Costs Advanced 1.5% Further Between Mid-February And Mid-March

The family food bill was 1.5% greater in mid-March than in mid-February, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on April 10. Retail prices of many foods rose sharply, said the Bureau, which noted that the increase in average food costs resulted especially from large increases in prices of pork, fruit, and canned vegetables, according to the Bureau, which likewise stated that substantially higher prices were also reported for lard and other shortening, coffee, tea, rice and rolled oats. Butter and eggs were seasonally lower, and several fresh vegetables dropped as new supplies came on the market. It is added that it required $1.20 on the average to buy the same food supplies on March 17 as could be bought a year ago for $1. The Bureau indicates that by the end of March preliminary reports indicated further advances for flour, canned tomatoes, canned salmon, oranges, lard and sugar. Fresh pork prices dropped, however, and round steak, cabbage and egg prices continued to decline. The Bureau's announcement further stated:

> Between Feb. 17 and Mar. 17, retail prices of pork rose 6% following advances at wholesale, which in turn reflected a sharp reduction in marketings during February and early March. Maximum prices for dressed hogs and wholesale pork cuts set by the Office of Price Administration, applying to all handlers except retailers became effective on Mar. 23. Subsequent to this original order, price ceilings at wholesale were raised slightly on certain cuts on Mar. 31. Beef and lamb prices moved downward slightly and fresh fish advanced at a much slower rate than during the past few months, as fishing fleets, particularly in the Boston area, expanded their activities after having reached a settlement on protective measures.
>
> Retail prices of bread advanced slightly in 16 cities and declined in one, Houston, where a 24-ounce loaf of bread for five cents was placed on sale on same markets. Prices of other cereals and bakery products continued to rise. Rice and rolled oats, in particular, advanced sharply.
>
> Prices of milk advanced three cents per quart in Mobile, Ala., where the increase in population has put considerable pressure on local facilities. Fractional increases were also reported in five other cities and slight declines in 6 cities. The seasonal decline in egg prices ranged from one to eight cents per dozen and the average price of 39.7 cents on Mar. 17 was 12.2 cents per dozen lower than the peak price of 51.9 cents in mid-November, 1941.
>
> Canned fruits and vegetables continued to advance sharply in retail markets, showing increases ranging from 2.4% for corn to 7.2% for tomatoes. Large Government purchases of canned goods during the past year have reduced stocks to unsually low levels, and this situation is reflected in retail markets. Price ceilings set by the Office of Price Administration on certain canned goods in the hands of canners and wholesalers went into effect between mid-February and mid-March, the period covered by this retail price survey.
>
> Potato prices declined for the first time since September, 1941, following slightly lower prices at shipping points and terminal markets. The advance in prices of some truck crops reflected adverse weather conditions which prevailed during the last half of February in commercial growing areas. Cabbage, carrots and spinach were lower as large supplies from the increased acreage this year came on the market. Orange prices were up in an early seasonal advance and rising banana prices continued to reflect current shipping difficulties.
>
> Sugar prices advanced less than 1% as prices became more stabilized under the widespread rationing being practiced by retailers and the ceiling in effect on wholesale prices. Prices of coffee and tea advanced 2 to 3% during the month with packaging difficulties, short supplies and increased distribution costs all showing some effect.
>
> Fats and oils rose to 2 to 3% between Feb. 17 and Mar. 17 with demands from the Government and civilian consumers continuing strong. Peanut butter was up nearly 8% as a shortage developed.
>
> Retail food costs on Mar. 17, 1942, were 20.5% higher than in March, 1941. The principal increases, ranging from 27 to 44%, were reported for fruits and vegetables, beverages, sugar, pork, fish and fats and oils. Beef, lamb, chickens and cereals and bakery products were about 10% higher than for a year earlier.

Changes at retail from Feb. 17, 1942, to Mar. 17, 1942, and since March, 1941, for some of the more important foods were as follows:

Item—	March, 1942, Compared With February, 1942 (Percentage Change)	March, 1942, Compared With March, 1941 (Percentage Change)
Oranges	+10.3	+ 5.1
Pork chops	+ 8.7	+35.1
Canned tomatoes	+ 7.2	+40.0
Roasting chickens	+ 1.4	+11.2
Coffee	+ 2.2	+30.4
Flour	+ .2	+24.5
Milk, fresh (average)	0	+15.0
White bread	0	+11.5
Evaporated milk	0	+23.9
Round steak	— .2	+10.5
Cheese	— .6	+30.7
Butter	— .7	+12.2
Rib roast	— .9	+ 5.1
Potatoes	— 2.0	+63.2
Eggs	— 5.8	+35.1

> Retail food costs advanced in all 51 cities covered by the Bureau of Labor Statistics' survey between Feb. 17 and Mar. 17. The largest increases were reported for Mobile (4.6%), Kansas City (3.4%) and Scranton and Los Angeles (2.9%). The higher costs in these four cities were due to greater than average advances for meats and fresh fruits and vegetables. Large advances for milk and for sugar in Mobile and an advance in egg prices in Los Angeles also contributed to the higher costs. The smallest increases were reported for Boston and Columbus (0.2%), Newark (0.3%) and New York and Seattle (0.6%). Costs of meats, sugar and fruits and vegetables declined or advanced less than average in those five cities. Compared with a year ago, food costs were higher by 31.4% in Mobile, 28.1% in Springfield, Ill., and 26.1% in Portland, Oregon. The smallest advances in food costs during the year were in New York (16.7%), Minneapolis (17.1%) and St. Paul (17.6%).

Index numbers of food costs by commodity groups for the current period and for Feb. 17, 1942, Jan. 13, 1942, Mar. 18, 1941, and Aug. 15, 1939, are shown below:

INDEX NUMBERS OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS
(Five-Year Average 1935-39 = 100)

Commodity Group—	*Mar. 17, 1942	Feb. 17, 1942	Jan. 13, 1942	Mar. 18, 1941	Aug. 15, 1939
All Foods	118.6	116.8	116.2	98.4	93.5
Cereals and bakery products	104.8	104.3	103.2	95.1	93.4
Meats	120.5	118.5	116.4	102.5	95.7
Beef and veal	119.7	119.9	120.4	109.2	99.6
Pork	117.5	110.9	107.2	89.5	88.0
Lamb	108.7	109.2	111.8	98.9	98.8
Chickens	112.2	110.7	107.3	100.3	94.6
Fish, fresh and canned	158.9	157.7	145.1	119.5	99.6
Dairy products	121.7	†121.8	121.5	104.6	93.1
Eggs	112.1	119.0	130.9	83.0	90.7
Fruits and vegetables	123.5	117.7	117.2	97.1	92.4
Fresh	123.8	†117.9	119.0	98.1	92.8
Canned	120.8	114.6	108.6	92.5	91.6
Dried	127.9	125.4	121.8	99.3	90.3
Beverages	119.6	117.2	115.5	93.5	94.9
Fats and oils	116.8	114.0	110.6	81.3	84.5
Sugar	128.5	127.7	118.5	98.1	95.6

*Preliminary. †Revised.

Automobile Production Down 44% In Month

Factory sales of automobiles manufactured in the United States, including complete units or vehicles reported as assembled in foreign countries from parts made in the United States, for February, 1942, consisted of 134,134 vehicles, of which 52,200 were passenger cars and 81,934 commercial cars, trucks, and road tractors, as compared with 238,261 vehicles in January, 1942, 485,622 vehicles in February, 1941, and 404,032 vehicles in February, 1940. These statistics comprise data for the entire industry and were released April 6 by Director J. C. Capt, Bureau of the Census, Department of Commerce.

As the publication of foreign trade statistics has been suspended for the duration of the war, the statistics on United States factory sales of automobiles to the domestic market and to foreign markets have been combined in this report.

Statistics for 1942 are based on data received from 69 manufacturers in the United States, 20 making passenger cars and 63 making commercial cars, trucks, or road tractors (14 of the 20 passenger car manufacturers also making commercial cars, trucks, or road tractors). It should be noted that those making both passenger cars and commercial cars, trucks, or road tractors have been included in the number shown as making passenger cars and in the number making commercial cars, trucks, or road tractors, respectively. The figure for passenger cars include those for taxicabs. The figures for commercial cars, trucks, and road tractors include those for ambulances, funeral cars, fire apparatus, street sweepers, station wagons, and buses, but the number of such special purpose vehicles is very small and hence a negligible factor in any analysis for which the figures may be used. Canadian production figures are supplied by the Dominion Bureau of Statistics.

Figures of automobile production in January, 1942, appeared in the March 12, 1942, issue of the "Chronicle," page 1054.

NUMBER OF VEHICLES (INCLUDING CHASSIS)

Year and month	United States (Factory Sales) Total (all vehicles)	Passenger cars	Commercial cars, trucks and road tractors	Canada (Production) Total	Passenger cars	Commercial cars and trucks
1942—						
January	238,261	147,858	90,403	21,751	4,249	17,502
February	134,134	52,200	81,934	20,181	3,989	16,192
1941—						
January	500,878	411,233	89,645	23,195	11,990	11,205
February	485,622	394,513	91,109	23,710	10,647	13,063
1940—						
January	432,279	362,897	69,382	17,213	12,579	4,634
February	404,032	337,756	66,276	18,193	12,779	5,414

Change AAA Wheat Rules To Use Volunteer Wheat

Maximum use of "volunteer" wheat acreage in the Food-for Freedom program is provided for by changes in the AAA wheat regulations announced recently by the United States Department of Agriculture. The Department said:

> The amended regulations are designed to put the volunteer growth and the land on which it stands to the use which will best serve the nation's needs, Department officials explained.
>
> On farms where the volunteer stands will produce enough grain to warrant harvesting, the regulations provide for conservation of the wheat in orderly fashion without glutting already crowded terminal storages. On farms where the volunteer wheat can best be used in livestock production—pasturing, or cutting for hay, is encouraged.

The Department also said that farmers cooperating with the Triple-A program, who choose to harvest their volunteer wheat, will be able to earn both agricultural conservation payments and parity payments—provided:

> (1) their acreage of seeded wheat is within their 1942 allotments and they comply with other provisions of the AAA program;
>
> (2) they store their volunteer wheat on the farm as long as it is subject to a marketing quota penalty, and
>
> (3) they seed within their 1943 wheat acreage allotments.

Such payments, the Department said, will be held until actual 1943 compliance has been made. The farm stored volunteer wheat will be eligible for Government wheat loan at 50% of the usual rate.

The Department also had the following to say:

> In computing the earnings of conservation payments, farmers wil be permitted to count pasturing of volunteer wheat, pasture followed by fallow, and pasture followed by feed crops as conversation practices. Volunteer acreage cut for hay or harvested for grain, however, can not be included under conservation acreage.
>
> With these options available, no farmer will need to destroy any volunteer wheat acreage but may convert it to utmost usefulness in his 1942 farming operation.
>
> The wheat is spoken of as "volunteer" because it springs from kernels which shattered and fell to the ground during 1941 harvesting operations, then germinated with the aid of fall rains. The resulting growth is usually hit-and-miss, thick in some places and very thin in others. Most farmers have been accustomed to using the volunteer growth for pasture since they have found through experience that it requires exceptionally favorable growing conditions to make a good harvest crop, due to insufficient subsoil moisture and to competition of weeds and other plants.
>
> The Department recommended that wherever possible, volunteer wheat acreage be used for livestock feed, as the Nation already has an adequate supply of wheat but is short of meat products. It pointed out that many farmers do not consider volunteer wheat a dependable crop, as it matures and produces a good yield under only the most favorable moisture conditions.
>
> The Department said it is not immediately needed for wartime food purposes since granaries and warehouses already are full to capacity, containing an extra year's supply. The U. S. wheat supply today is more than double that of 1917 when the Nation became engaged in the first World War.

Condition Of National Banks

The statement of condition of the National banks under the Comptroller's call of Dec. 31, 1941, has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including April 4, 1941, are included.

OFFICE OF THE COMPTROLLER OF THE CURRENCY
Washington, D. C., March 6, 1942

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON APRIL 4, JUNE 30, SEPT. 24 AND DEC. 31, 1941
[In thousands of dollars]

	Apr. 4, 1941 (5,144 banks)	June 30, 1941 (5,136 banks)	Sept. 24, 1941 (5,131 banks)	Dec. 31, 1941 (5,123 banks)
ASSETS	$	$	$	$
Loans and discounts, including overdrafts	10,427,466	10,922,483	11,470,256	11,751,792
U. S. Government securities, direct obligations	8,482,114	8,856,499	8,593,247	9,786,743
Obligations guaranteed by U. S. Government	1,113,876	2,279,453	2,534,541	2,286,309
Obligations of States and political subdivisions	2,147,574	2,020,242	2,068,091	2,024,715
Other bonds, notes, and debentures	1,634,616	1,590,191	1,606,133	1,588,006
Corporate stocks, including stock of Federal Reserve banks	209,456	208,409	203,946	201,735
Total loans and investments	*25,015,102*	*25,877,277*	*26,476,214*	*27,639,300*
Cash, balances with other banks including reserve balances, and cash items in process of collection	14,243,808	14,521,658	15,142,138	15,001,930
Bank premises owned, furniture and fixtures	598,722	592,897	591,544	590,579
Real estate owned other than bank premises	103,068	96,568	91,620	81,697
Investments and other assets indirectly representing bank premises or other real estate	62,439	61,764	60,629	54,036
Customers' liability on acceptances outstanding	45,736	49,977	39,492	40,139
Interest, commissions, rent, and other income earned or accrued but not collected	68,289	61,469	65,759	64,346
Other assets	55,857	53,025	53,710	66,207
Total assets	40,193,021	41,314,635	42,521,106	43,538,234
LIABILITIES				
Demand deposits of individuals, partnerships, and corporations	18,070,367	19,194,051	19,944,103	20,480,952
Time deposits of individuals, partnerships, and corporations	8,050,125	8,042,313	8,044,337	7,964,912
Deposits of U. S. Government, including postal savings	478,412	540,937	603,581	1,142,734
Deposits of States and political subdivisions	2,530,319	2,529,179	2,578,267	2,590,940
Deposits of banks	6,751,121	6,591,645	6,957,718	6,789,685
Other deposits (certified and cashiers' checks, etc.)	407,137	453,178	410,314	585,549
Total deposits	36,287,481	37,351,303	38,532,830	39,554,772
Demand deposits	*27,774,309*	*28,836,324*	*30,041,996*	*31,103,009*
Time deposits	*8,513,172*	*8,514,979*	*8,496,324*	*8,451,763*
Bills payable, rediscounts, and other liabilities for borrowed money	2,430	2,005	9,275	3,778
Mortgages or other liens on bank premises and other real estate	101	59	59	67
Acceptances executed by or for account of reporting banks and outstanding	52,371	59,379	45,931	47,558
Interest, discount, rent, and other income collected but not earned	51,299	55,644	59,998	52,613
Interest, taxes, and other expenses accrued and unpaid	59,775	56,215	68,168	62,570
Other liabilities	167,198	191,889	171,034	167,777
Total liabilities	36,620,655	37,716,494	38,892,785	39,889,135
CAPITAL ACCOUNTS				
Capital stock (see memoranda below)	1,526,939	1,523,383	1,514,706	1,515,794
Surplus	1,319,321	1,336,090	1,350,710	1,388,672
Undivided profits	491,310	498,376	521,283	499,081
Reserves (see memoranda below)	234,796	240,292	241,622	245,552
Total capital accounts	3,572,366	3,598,141	3,628,321	3,649,099
Total liabilities and capital accounts	40,193,021	41,314,635	42,521,106	43,538,234
MEMORANDA				
Par value of capital stock:				
Class A preferred stock	175,651	171,260	159,527	155,547
Class B preferred stock	13,374	13,181	13,098	12,983
Common stock	1,399,894	1,340,705	1,343,743	1,348,834
Total	1,528,919	1,525,146	1,516,368	1,517,364
Retirable value of preferred capital stock:				
Class A preferred stock	224,711	219,908	207,724	202,908
Class B preferred stock	15,290	15,129	15,046	14,931
Total	240,001	235,037	222,770	217,839
Reserves:				
Reserve for dividends payable in common stock	234,796	6,667	241,622	6,187
Reserve for other undeclared dividends		8,494		8,155
Retirement account for preferred stock		20,503		19,312
Reserves for contingencies, etc		204,628		211,898
Total	234,796	240,292	241,622	245,552
Pledged assets and securities loaned:				
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	2,477,773	2,673,112	2,787,388	3,374,484
Other assets pledged to secure deposits & other liabilities, including notes and bills rediscounted and securities sold under repurchase agreement	629,253	601,405	580,382	635,813
Assets pledged to qualify for exercise of fiduciary or corporate powers, and for purposes other than to secure liabilities	89,113	100,882	101,866	94,481
Securities loaned	14,437	19,344	27,152	17,518
Total	3,210,576	3,394,743	3,496,788	4,122,296
Secured liabilities:				
Deposits secured by pledged assets pursuant to requirements of law	2,659,791	2,746,217	2,802,808	3,462,951
Borrowings secured by pledged assets, including rediscounts and repurchase agreements	2,064	1,984	8,613	3,096
Other liabilities secured by pledged assets	485	521	549	612
Total	2,662,340	2,748,722	2,811,970	3,466,659
Details of demand deposits:				
Deposits of individuals, partnerships, and corporations	18,070,367	19.194,051	19,994,103	20,480,952
Deposits of United States Government	436,830	498,900	566,645	1,105,403
Deposits of States and political subdivisions	2,212,054	2.200,817	2,267,161	2,240,083
Deposits of banks in the United States (including private banks and American branches of foreign banks)	6,647,921	6,151,745	6,853,773	6,359,909
Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches)		337,633		331,113
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash, and amounts due to Federal Reserve banks (transit account)	407,137	453,178	410,314	585,549
Total demand deposits	27,774,309	28,836,324	30,041,996	31,103,009
Details of time deposits:				
Deposits of individuals, partnerships, and corporations:				
Savings deposits	8,050,125	7,152,681	8,044,337	7,211,689
Certificates of deposit		504,332		468,195
Deposits accumulated for payment of personal loans		55,138		64,442
Christmas savings and similar accounts		91,237		20.340
Open accounts		238,925		200,246
Total	8,050,125	8,042,313	8,044,337	*7,964,912*
Postal-savings deposits b	41,582	42,037	36,936	37,331
Deposits of States and political subdivisions	318,265	328,362	311,106	350,857
Deposits of banks in the United States (including private banks and American branches of foreign banks)	103,200	96,944	103,945	93,350
Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches)		5,323		5,313
Total time deposits	8,513,172	8,514,979	8,496,324	8,451,763
Ratio of required reserves to net demand plus time deposits:				
Total, Central Reserve city banks	21.52%	21.57%	26.60%	29.70%
Total, Reserve city banks	14.03%	14.10%	14.29%	22.23%
Total, Country banks	8.37%	8.45%	8.58%	16.08%
Total, all member National banks	14.81%	14.88%	14.93%	22.60%

b Includes United States Treasurer's time deposits—open accounts.

Note.—Beginning with the call as of Oct. 2, 1939, and continuing with each subsequent spring and autumn call a "short" form, eliminating schedules of loans and investments, etc., was adopted for obtaining condition reports of national banks.

Flour Production Up In March

Flour production, according to reports received by "The Northwestern Miller" from plants representing 65% of the total national output, increased during March 74,532 barrels over the previous month, but was 258,808 barrels lower than during the same month of 1941.

Total production during March was compiled at 5,543,160 barrels, compared with 5,468,628 barrels during the month previous and 5,801,968 barrels for the same month a year previous.

Northwestern production decreased 75,390 barrels from the month previous, but the 1,264,796-barrel March total represented a 64,772-barrel increase over the 1941 total for the same month.

Southwestern production, totaling 2,083,789 barrels in March, was 5,101 barrels higher than the month previous, but 75,925 barrels lower than the production of the same month a year previous.

Buffalo mills reported 852,497 barrels produced during March, 5,105 barrels more than the month previous but 21,465 barrels less than the output for March, 1941.

Production of durum products by nine reporting mills totaled 347,053 barrels during March, compared with 363,658 barrels during the previous month and 288,733 barrels during the same month a year previous.

Below is a detailed table with comparable figures:

TOTAL MONTHLY FLOUR PRODUCTION (IN BARRELS)
(Reported by mills producing 65% of the flour manufactured in the U. S.)

	March 1942	Previous month	March 1941	March 1940	March 1939
Northwest	1,264,796	1,340,186	1,200,024	1,267,928	1,271,823
Southwest	2,083,789	2,078,688	2,159,714	1,925,054	2,095,373
Buffalo	852,497	847,392	873,962	819,150	885,288
Central West—Eastern Division	394,546	*398,997	544,449	531,120	528,777
Western Division	221,991	251,905	268,828	272,077	287,583
Southeast	133,971	*40,660	121,887	136,589	159,109
North Pacific Coast	591,570	510,800	633,104	658,184	691,438
Totals	5,543,160	5,468,628	5,801,968	5,610,102	5,919,391

*Revised.

*TOTAL MONTHLY PRODUCTION OF DURUM PRODUCTS (IN BARRELS)

March, 1942	February, 1942	January, 1942	March, 1941
347,053	363,658	362,827	288,733

*As reported by nine mills.

Non-Agricultural Employment Down Slightly In Mid-February, Labor Dept. Reports

Total civil non-agricultural employment showed a slight decline from mid-January to mid-February, Secretary of Labor Frances Perkins reported on March 31 with the February of 39,842,000 being 29,000 less than in the preceding month but 2,394,000 greater than in February a year ago.

"Seasonal decreases in employment from January to February were reported in trade, contract construction, transportation and public utilities, and mining," Miss Perkins said. "These declines," she added, "were largely offset by increases in manufacturing and Federal, State, and local government employment. The major factor in the rise of 2,394,000 workers over the year interval was the expansion in the manufacturing labor force of nearly 1,400,000 workers. Gains also occurred in all other groups except contract construction, which showed a decrease of 46,000 workers over the year because of the drop in non-Federal construction." Secretary Perkins further said:

> The increase in factory employment (0.4%) from January to February was substantially less than the usual seasonal gain (1.7%). Employment in the durable goods industries rose by 7,000 in contrast with the increase of 36,000 workers in the non-durable goods industries. Seasonal gains occurred in such industries as women's clothing, men's clothing, fertilizers, leather boots and shoes, cotton goods, cigars and cigarettes, and dyeing and finishing.
>
> Several non-durable goods industries experienced employment decreases because of restrictions on the use of raw materials, notably, woolen and worsted goods, carpets and rugs, hosiery (where employment reached the lowest level since January, 1934), and rubber tires and tubes. The slaughtering and meat packing industry reported a marked decrease in employment, which was largely seasonal in character. Employment in cane sugar refining fell to the lowest point since January, 1938. The radio and phonograph industry which is converting its facilities to war production showed a less than seasonal decline over the month.
>
> The increase in factory employment from January to February carried the index for all manufacturing to 132.9% of the 1923-25 average, representing a rise of 12.8% over the year. Factory payrolls advanced 2.0% over the month to 176.9% of the 1923-25 average, and the increase over the year amounted to 39.5%. The increase in working hours in many war industries to well above 48 hours per week, as well as the expansion of hours in other industries, overtime payments and wage rate increases account for the greater proportionate gains in payrolls than in employment over the past year.
>
> Wage rate increases averaging 7.5% and affecting 71.122 factory wage earners, were reported by 317 cooperating establishments between mid-January and mid-February. This number is less than the number affected by wage increases in any month since March, 1941.
>
> Among the mining industries slightly larger than seasonal decreases in employment occurred in crude petroleum producing (1.4%), and quarrying and non-metallic mining (1.1%). Anthracite mines showed a small loss in employment coupled with a pay-roll increase of 26.3%, reflecting increased production in this industry in February. Bituminous coal mines reported a small employment decline and metal mines showed a slight gain in contrast to the usual small recession expected in February.
>
> Wholesale and retail trade employment declined approximately by the usual seasonal amount, retail dealers in the automotive field, however, reporting a substantial employment decrease. Employment in telephone and telegraph, and electric light and power industries was lower in February than in the preceding month, while street railway and bus companies reported a slight employment gain, instead of the usual small employment decline.
>
> Michigan, Florida, and Louisiana were the only States showing decreases in non-agricultural employment from February, 1941 to February, 1942. The largest percentage increases over

this interval occurred in Alabama, (21.2); Arkansas, (19.5); Oregon, (18.6); District of Columbia, (18.0); Utah, (17.1); Washington, (16.3); and California, (16.0).

During February, 54,300 employees were added to the staff of the Federal executive service. Of these 9,900 were working within the District of Columbia and 44,400 outside the District of Columbia.

Federal work-relief programs in February continued the decline started a year ago by dropping 55,400 persons from the rolls. The saving in monthly pay rolls amounted to $5,011,000. The personnel declines were distributed as follows: NYA student work program 43,700, NYA out-of-school work program 7,400, and CCC 9,200. The WPA showed an increase in personnel of 4,900.

Construction programs financed wholly or partially from Federal funds in February required the services of 1,172,000 persons and pay rolls of $199,147,000. This represented an addition over January of 97,500 workers and of $21,646,000 pay rolls. Of the total, defense construction projects accounted for 90% of the employees and 91% of the pay rolls.

The Labor Department's announcement also had the following to report:

ESTIMATES OF TOTAL NONAGRICULTURAL EMPLOYMENT

(In Thousands)

	Feb., 1942 (Preliminary)	Jan., 1942	Change Jan., to Feb., 1942	Feb., 1941	Change Feb., 1941 to Feb., 1942
Total civil non-agricultural employment	39,842	39,871	—29	37,448	+2,394
Employees in non-agricul. establish.	33,699	33,728	—29	31,305	+2,394
Manufacturing	12,641	12,598	+43	11,273	+1,368
Mining	859	876	—17	854	+ 5
Contract construction	1,632	1,658	—26	1,678	— 46
Transportation and public utilities	3,246	3,255	— 9	3,028	+ 218
Trade	6,692	6,757	—65	6,491	+ 201
Finance, service and miscellaneous	4,180	4,180	0	4,075	+ 105
Federal, State and local government	4,449	4,404	+45	3,906	+ 553

The Department further said:

The estimates of "total civil non-agricultural employment," given on the first line of the above table, represent the total number of persons engaged in gainful work in the United States in non-agricultural industries, excluding military and naval personnel, persons employed on WPA or NYA projects, and enrollees in CCC camps. The series described as "Employees in non-agricultural establishments" excludes also proprietors and firm members, self-employed persons, casual workers and persons in domestic service. The estimates for "Employees in non-agricultural establishments" are shown separately for each of seven major industry groups. Data for the manufacturing and trade groups have been revised to include adjustments to preliminary 1939 Census data.

The figures represent the number of persons working at any time during the week ending nearest the middle of each month. The totals for the United States have been adjusted to conform to the figures shown by the 1930 Census of Occupations or the number of non-agricultural "gainful workers" less the number shown to have been unemployed for one week or more at the time of the Census.

Indexes of employment and pay rolls for all manufacturing industries combined, Class I steam railroads, and for those non-manufacturing industries for which information is available, are shown below for February, 1942, with percentage changes from January, 1942, and February, 1941. The 3-year average 1923-25 is used as a base in computing the indexes for the manufacturing industries and the 5-year average 1935-39 as a base for Class I steam railroads. For the other non-manufacturing industries information for years prior to 1929 is not available from the Bureau's records, and the 12-month average for 1929 is used as a base in computing the index numbers. These indexes are not adjusted for seasonal variation.

The data for manufacturing, mining, building construction, laundries, and dyeing and cleaning cover wage earners only; those for railroads cover all employees while the data for water transportation cover employees on vessels of 1,000 gross tons or over in deep-sea trades only. The data for other industries exclude proprietors and firm members, corporation officers, executives, and others whose work is mainly supervisory.

Industry—	Employment Index *Feb. 1942	Employment Percentage change from Jan. 1942	Employment Percentage change from Feb. 1941	Pay Roll Index *Feb. 1942	Pay Roll Percentage change from Jan. 1942	Pay Roll Percentage change from Feb. 1941
	(1923-25=100)			(1923-25=100)		
Manufacturing	†132.9	+ 0.4	+12.8	†176.0	+ 2.0	+39.5
	(1935-39=100)			(1935-39=100)		
‡Class I Steam Railroads	114.5	+ §	+13.5	¶	¶	¶
	(1929=100)			(1929=100)		
Trade:						
Wholesale	94.3	— .7	+ 3.1	93.2	+ 1.5	+14.5
Food products	¶	— 1.2	¶	¶	— .2	¶
Groceries & food spec.	¶	+ 1.0	¶	¶	+ 3.0	¶
Dry goods & apparel	¶	+ .6	¶	¶	+ 3.0	¶
Mach., equip. & suppl.	¶	— .6	¶	¶	+ 2.7	¶
Farm products	¶	+ .8	¶	¶	— .2	¶
Petrol. and petrol. prod. (incl. bulk tank sta.)	¶	— .1	¶	¶	+ .4	¶
Automotive	¶	— 3.1	¶	¶	— .1	¶
Retail	**94.3	— 1.3	+ 4.0	**93.5	— 1.3	+10.5
Food	113.2	+ 1.4	+ 7.2	113.5	+ 2.3	+15.5
General merchandising	**105.4	— .1	+13.5	**105.0	— 1.4	+21.2
Apparel	84.3	— 1.2	+ 8.2	85.9	— 1.3	+16.7
Furniture	72.7	— 2.2	— 3.1	73.1	+ 1.5	+10.3
Automotive	67.5	—10.4	—22.1	68.8	— 9.9	—18.4
Lumber & bldg. mater.	73.1	— 3.8	+ 2.1	77.0	— 2.5	+13.1
Public Utilities:						
Tel. & Tel.	**89.7	— .8	+10.9	**120.8	— .1	+15.9
Electric light & power	**90.6	— 1.5	+ .6	**113.0	— 1.2	+ 7.3
Street rys. & buses††	**70.5	+ .2	+ 3.8	**83.5	+ 3.8	+17.6
Mining:						
Anthracite	48.8	— .4	— 3.5	49.7	+26.3	+10.1
Bituminous—coal	94.4	— .7	+ 4.2	118.2	+ 1.0	+30.2
Metalliferous	60.7	+ .1	+10.0	98.5	+ 4.4	+37.3
Quarrying & nonmetallic	46.3	— 1.1	+ 9.3	51.7	+ 5.7	+35.4
Crude-petrol. production	60.5	— 1.4	+ .1	63.9	— 1.5	+11.5
Services:						
Hotels (year-round)	94.2	+ .1	+ .4	‡‡92.1	+ .7	+ 7.0
Laundries	107.4	— 1.2	+ 6.3	102.2	— 1.5	+14.0
Dyeing & cleaning	109.6	— .2	+ 8.1	85.8	— .8	+15.4
Brokerage	¶	— 1.5	— 6.4	¶	— 2.6	— 1.8
Insurance	¶	+ .2	+ 2.2	¶	— §	+ 8.9
Building Construction	¶	— 3.6	— 3.8	¶	— 9.1	+10.2
Water Transportation	§§76.3	+ 2.7	— 1.4	¶¶	+ 2.6	+17.8

*Preliminary. †Adjusted to preliminary 1939 Census figures. ‡Source: Interstate Commerce Commission. §Less than 1/10 of 1%. ¶Not available. **Retail-trade indexes adjusted to 1935 Census, public utility indexes to 1937 Census. ††Covers street railways and trolley and motor-bus operations of subsidiary, affiliated and successor companies. ‡‡Cash payments only; value of board, room, and tips cannot be computed. §§Based on estimates prepared by the United States Maritime Commission. ¶¶Pay Roll index on 1929 base not available. Includes war bonuses and value of subsistence and lodging.

INDEX NUMBERS OF EMPLOYMENT AND PAY ROLLS OF WAGE EARNERS IN MANUFACTURING INDUSTRIES ADJUSTED TO 1937 CENSUS OF MANUFACTURES, EXCEPT AS INDICATED IN NOTES † AND §

(Three-year average 1923-25=100.0)

Manufacturing Industries—	Employment *Feb. 1942	Employment Jan. 1942	Employment Feb. 1941	Pay Rolls *Feb. 1942	Pay Rolls Jan. 1942	Pay Rolls Feb. 1941
All Industries†	132.9	132.4	117.8	176.9	173.5	126.8
Durable Goods†	143.6	143.4	121.0	208.5	204.7	139.3
Non-durable Goods†	122.7	121.8	114.7	141.5	138.7	112.9
Durable Goods—						
Iron & steel & their products, not including machinery	136.4	137.0	125.0	179.0	174.8	137.0
Blast furnaces, steel works, and rolling mills	149.3	148.7	133.3	191.1	185.0	145.4
Bolts, nuts, washers, & rivets	168.9	170.4	146.0	269.3	261.1	192.7
Cast-iron pipe	96.4	97.4	89.3	117.7	117.4	97.4
Cutlery (not including silver & plated cutlery), & edge tools	134.4	132.9	109.4	181.5	170.9	114.7
Forgings, iron and steel	123.0	120.6	94.5	217.1	208.6	130.2
Hardware	103.3	110.1	114.9	142.9	148.2	134.8
Plumbers' supplies	92.2	95.1	99.1	102.7	99.3	96.7
Stamped & enameled ware	207.2	213.4	201.6	298.5	294.2	232.6
Steam & hot-water heating apparatus & steam fittings	123.1	122.4	105.9	168.1	168.5	109.8
Stoves	93.2	91.7	99.2	103.7	94.0	94.1
Struc. & ornament'l metalwork	106.3	105.7	95.9	130.5	125.0	93.8
Tin cans & other tinware	130.3	136.6	104.1	161.6	180.9	115.7
Tools (not incl. edge tools, mach. tools, files & saws)	152.6	151.7	126.2	225.5	217.7	153.3
Wirework	179.6	184.2	207.8	256.0	265.0	252.5
Machinery, not incl. transportation equipment	189.5	185.2	143.4	294.8	285.0	176.9
Agricult'l impl. (incl. tractors)	165.7	164.1	144.2	240.5	228.8	174.2
Cash registers, adding mach., & calculating machines	173.0	175.0	140.3	244.6	249.9	166.3
Elec. mach., apparatus, & sup.	‡	‡	‡	‡	‡	‡
Engines, turbines, water wheels, & windmills	‡	‡	‡	‡	‡	‡
Fdy. & mach. shop products	154.4	152.1	120.0	218.7	211.2	136.1
Machine tools	‡	‡	‡	‡	‡	‡
Radios & phonographs	204.3	210.9	144.8	276.5	278.8	146.4
Textile machinery & parts	110.1	110.2	92.9	153.9	154.0	105.2
Typewriters & parts	155.4	156.7	108.5	225.6	225.7	122.0
Transportation equipment§	206.8	209.9	157.2	324.4	328.6	191.0
Aircraft	‡	‡	‡	‡	‡	‡
Automobiles	79.8	100.2	130.1	123.4	153.6	159.5
Cars, electric- & steam-railr'd	‡	‡	‡	‡	‡	‡
Locomotives	‡	‡	‡	‡	‡	‡
Shipbuilding	‡	‡	‡	‡	‡	‡
Non-ferrous metals & their prod.	145.4	144.3	134.7	201.1	197.6	151.2
Aluminum manufactures	‡	‡	‡	‡	‡	‡
Brass, bronze, & cop. products	‡	‡	‡	‡	‡	‡
Clocks, watches and time-recording devices	108.5	109.7	109.1	153.4	148.7	124.8
Jewelry	108.5	109.0	102.2	105.3	102.0	89.5
Lighting equipment	103.8	108.0	111.4	114.9	122.6	104.9
Silverware & plated ware	77.0	79.4	78.4	90.2	86.9	77.0
Smelting & refining—copper, lead, and zinc	101.6	101.9	99.8	127.0	125.6	104.5
Lumber and allied products	73.6	74.0	72.0	84.8	81.8	70.6
Furniture	101.1	101.8	95.8	114.7	110.9	90.0
Lumber:						
Millwork	70.4	71.4	70.0	66.8	66.0	58.2
Sawmills	63.5	63.6	62.9	70.7	67.5	60.5
Stone, clay, and glass products	93.1	95.1	86.9	103.6	99.5	82.0
Brick, tile, and terra cotta	66.1	68.7	64.1	66.1	65.1	54.8
Cement	76.1	77.5	65.8	84.8	84.1	62.3
Glass	125.8	127.7	115.8	170.6	166.1	135.3
Marble, granite, slate, and other products	37.9	40.0	41.8	29.4	30.1	30.0
Pottery	120.1	120.6	107.8	138.8	120.3	99.7
Non-Durable Goods—						
Textiles and their products	112.8	110.8	110.1	127.1	119.8	103.8
Fabrics	104.8	104.8	101.7	124.2	122.0	98.5
Carpets and rugs	80.5	82.0	83.9	85.2	82.2	79.2
Cotton goods	113.2	112.3	102.6	145.2	141.6	101.7
Cotton small wares	109.0	105.9	95.1	142.5	129.4	100.6
Dyeing & finishing textiles	136.9	133.5	139.7	149.7	141.9	128.8
Hats, fur-felt	73.3	72.6	84.3	78.4	79.9	89.4
Hosiery	126.7	127.5	142.8	158.3	152.9	156.2
Knitted outerwear	78.3	74.6	68.4	78.6	72.5	59.9
Knitted underwear	86.3	85.4	78.3	102.0	99.4	76.6
Knit cloth	149.9	144.4	141.9	157.2	143.4	128.5
Silk and rayon goods	61.6	60.2	66.5	66.1	61.9	55.9
Woolen and worsted goods	104.0	109.0	102.6	122.9	129.5	99.9
Wearing apparel	126.1	119.5	124.2	125.2	108.3	107.9
Clothing, Men's	121.5	117.1	114.3	117.4	108.5	96.2
Clothing, Women's	168.1	156.3	172.6	158.5	128.2	142.8
Corsets & allied garments	111.0	110.0	114.5	153.5	136.1	126.8
Men's furnishings	113.3	106.7	118.7	139.3	118.7	123.6
Millinery	83.6	70.8	88.7	75.5	51.0	76.1
Shirts and collars	132.9	130.6	126.0	147.8	141.3	117.8
Leather and its manufactures	101.4	98.8	96.9	114.7	107.2	91.5
Boots and shoes	98.1	95.3	95.0	109.4	100.9	88.9
Leather	97.4	96.1	88.1	122.5	119.2	92.3
Food and kindred products	132.8	135.2	119.1	149.6	154.6	119.6
Baking	149.6	149.5	142.9	159.6	158.2	137.8
Beverages	282.9	281.7	255.4	355.9	348.5	294.6
Butter	96.5	98.1	91.4	96.8	93.9	81.3
Canning and preserving	110.9	110.3	85.1	125.7	121.0	76.4
Confectionery	89.9	91.9	86.1	102.2	105.1	89.2
Flour	80.0	79.3	76.6	91.4	89.7	73.0
Ice Cream	69.3	69.8	68.2	66.3	64.7	59.9
Slaughtering & meat packing	136.8	143.8	110.6	160.1	182.4	113.5
Sugar, beet	42.7	72.1	53.4	53.5	75.8	57.1
Sugar refining, cane	86.3	92.5	88.6	79.5	90.6	73.0
Tobacco manufactures	65.6	63.4	63.7	72.4	72.7	61.7
Chewing & smok. tob. & snuff	55.0	55.4	56.5	71.5	73.1	63.5
Cigars and cigarettes	66.9	64.4	64.6	72.4	72.5	61.3
Paper and printing	123.7	124.7	117.1	135.5	136.5	117.1
Boxes, paper	134.8	137.0	118.8	175.8	178.6	136.2
Paper and pulp	130.0	129.5	117.3	174.2	171.9	132.5
Printing and publishing:						
Book and job	105.7	107.9	102.8	100.4	105.2	93.2
Newspapers and periodicals	115.0	115.3	115.9	114.1	113.1	109.7
Chemical, petroleum and coal products	152.9	149.4	128.5	208.0	202.0	144.8
Petroleum refining	130.3	129.1	119.2	179.6	171.1	132.1
Other than petroleum refining	158.4	154.3	130.8	216.8	211.5	148.7
Chemicals	187.8	185.9	155.1	277.1	275.7	193.9
Cottons'd—oil, cake, & meal	106.1	103.9	112.0	111.8	107.0	104.9
Druggists' preparations	154.5	151.6	119.3	186.4	187.4	136.4
Explosives	‡	‡	‡	‡	‡	‡
Fertilizers	163.9	124.8	113.2	159.5	120.9	92.8
Paints and varnishes	141.6	140.9	128.6	176.9	172.5	141.7
Rayon & allied products	312.5	315.9	311.0	391.7	392.4	327.6
Soap	91.4	91.5	89.8	135.6	132.8	112.6
Rubber products	98.9	99.7	100.7	123.5	126.0	115.3
Rubber boots and shoes	75.2	74.1	68.0	95.8	97.1	78.9
Rubber tires & inner tubes	74.5	75.5	78.6	102.4	103.7	99.7
Rubber goods, other	171.4	173.2	174.9	202.8	209.6	185.2

*February 1942 indexes preliminary; subject to revision. †Adjusted to preliminary 1939 Census figures. ‡Included in total and group indexes, but not available for publication separately. §Adjusted on basis of a complete employment survey of the aircraft industry for August 1940. Not comparable to indexes appearing in press releases dated earlier than November 1940. Revised figures available in mimeographed form.

Farmers Had 99% of Parity

Prices of dairy products, eggs, and truck crops declined during the month ended March 15, while prices of hogs and cattle, cotton, grain, and fruits advanced, the U. S. Department of Agriculture reported on March 30. The mid-month price report of the Bureau of Agricultural Economics shows that prices of all farm products combined averaged 1 point higher on March 15 than on Feb. 15, and 43 points higher than on March 15 last year. Prices paid out by farmers averaged 1 point higher during the last month of record, and 24 points higher than on March 15 last year.

The Department's announcement further said:

> Ratio of prices received to prices paid as of March 15 was 99% of the 1909-13 base of 100, compared with 99 on Feb. 15, and with 83 on March 15 last year. Producers of all farm commodities were getting higher prices this March 15 than last, but many products continued below parity by reason of the relatively higher prices paid for commodities used in production. Farm wage rates (not included in the index of prices paid) averaged about 30% higher this March 15 than last.
>
> While the National average of prices received by farmers was 99% of parity, prices of many individual commodities were below parity. Commodities selling below parity included wheat, corn, butterfat, apples, potatoes, eggs and cotton. Farm products selling above parity included chickens, hogs, beef cattle, rice, lambs, and wool.

Defense Bond Sales In St. Louis Reserve District

Chester C. Davis, President of the Federal Reserve Bank of St. Louis, has announced that in the Eighth District, which includes Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri, and Tennessee, a total of $210,348,000 maturity value Defense Savings Bonds of all series was sold by issuing agents, other than post offices, through Mar. 24, 1942. Of the bonds sold, $105,009,000 were Series E, which are issued only to individuals, and $105,339,000 were Series F and G, which are sold to corporations and unincorporated organizations as well as to individuals. According to Mr. Davis the qualified issuing agents for Series E bonds (other than post offices) now number 1,681 in the Eighth District. They include 1,389 banks and trust companies; 164 building and loan and savings and loan associations; 75 credit unions; 45 corporations, and 8 brokers. Almost 93% of the banks in the district have qualified, Arkansas being 100%.

Mr. Davis also stated that these issuing agents are selling the bonds without compensation from the Government or the public, and are rendering a valuable patriotic service in the war program.

April Food Stamp List

Eight staple foods, four varieties of fresh fruits and all fresh vegetables, including potatoes, will be available during April to participants in the Food Stamp program, the Department of Agriculture announced on March 30. Families taking part in the program can purchase these foods with blue food stamps at local stores in all of the areas in which the program is operating.

The April list, which is the same as for March, includes shell eggs, butter, fresh grapefruit, pears, apples, oranges, and fresh vegetables (including potatoes), corn meal, dried prunes, hominy (corn) grits, dry edible beans, wheat flour, enriched wheat flour, self-rising flour, enriched self-rising flour, and whole wheat (Graham) flour.

President Vetoes Bill For Higher Postal Pay

President Roosevelt vetoed on April 2 a bill which would have established a system of longevity pay for 222,500 field employees of the Postal Service. In a message to the House, the President said the legislation would result in "discriminatory compensation benefits" as between various classes of employees and because the present "is not an opportune time for this type of legislation," he found it necessary "in the public interest" to with hold approval of the measure.

The measure would have provided pay increases, beginning July 1, for about 160,000 field employees who have completed 10 years of continuous service.

Citing other recent legislation which provided postal employees with reduced working hours and additional compensation, the President pointed out that "the bill is not a temporary measure for increased compensation on account of any rise in the cost of living but provides instead for a permanent increase in compensation, the first year cost being approximately $14,000,000 and the ultimate annual cost being about $39,000,000."

The text of the President's veto message follows:

To the House of Representatives:

I am returning herewith, without my approval, H.R. 1057, an Act "To establish a system of longevity pay for postal employees."

This legislation, covering about 222,500 field employees of the Postal Service, chiefly clerks in the first and second-class post offices and carriers in the city-delivery service, would provide pay increases, beginning July 1, 1942, for those employees who have completed 10 years of continuous service, or about three-fourths of all employees covered by the bill.

The hours of service of employees affected by this measure were reduced from 44 to 40 hours per week by the enactment of the 40-hour-week law, effective Oct. 1, 1935.

The clerks in the first and second-class post offices and the carriers in the city-delivery service have been receiving, for some time, additional compensation at the rate of 10% per hour for work between 6 P. M. and 6 A. M.

A recent enactment, approved March 27, 1942, provides for the payment to these employees of extra compensation for work performed on Saturdays.

The increased compensation provided by this bill is made to apply to employees in the custodial service of the Post Office Department and also to certain supervisory employees of the Railway Mail Service. All of these employees are already covered by the pay scales of the Classification Act of 1923. Thus, the enactment of this measure would result in discriminatory compensation benefits as between these employees and other classes of employees covered by that Act.

The bill is not a temporary measure for increased compensation on account of any rise in the cost of living, but provides instead for a permanent increase in compensation, the first year cost being approximately $14-000,000 and the ultimate annual cost being about $39,000,000.

For the reasons stated above, and because this is not an opportune time for this type of legislation, I find it necessary in the public interest, to withhold my approval of this enactment.

FRANKLIN D. ROOSEVELT.
The White House, April 2, 1942.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report states that the total production of soft coal in week ended April 4 is estimated at 10,500,000 net tons, a decrease of 650,000 tons, or 5.8%, from the output in the preceding week. The decreased shipments on April 1, Eight-hour Day, reflected the observance of the miners' holiday.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended April 4 was estimated at 880,000 tons, a decrease of 278,000 tons, or 24%, from the preceding week. When compared with the output in the corresponding week of 1941 there was an increase of 225,000 tons (about 13%). The calendar year 1942 to date shows a gain of 2.0% when compared with the corresponding period of 1941.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 4 showed an increase of 5,200 tons over the output for the preceding week. The amount of coke from beehive ovens declined 5,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

(Data for Pennsylvania anthracite from Weekly Anthracite and Beehive Coke Report of the Bureau of Mines; data for crude petroleum computed from weekly statistics of American Petroleum Institute.)

	Week Ended			January 1 to Date		
	‡Apr. 4 1942	Mar. 28 1942	Apr. 5 1941	Apr. 4 1942	Apr. 5 1941	Apr. 3 1937
*Bituminous coal—						
Total, incl. mine fuel	10,500	11,150	3,327	146,604	134,773	136,883
Daily average	§2,019	1,858	665	1,851	1,685	1,753
†Crude petroleum—						
Coal equiv. of weekly output	5,475	6,119	5,630	85,477	78,755	70,182

*Includes for purposes of historical comparison and statistical convenience the production of lignite.

†Total barrels produced during the week converted into equivalent coal assuming 6,000,000 b.t.u. per barrel of oil and 13,100 b.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702).

‡Subject to revision.

§April 1, "Eight-hour Day", weighted as 0.2 of a normal working day.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar year to date		
	§Apr. 4 1942	Mar. 28 1942	Apr. 5 1941	Apr. 4 1942	Apr. 5 1941	Apr. 6 1929
Penn. anthracite—						
*Total, incl. colliery fuel	880,000	1,158,000	655,000	14,803,000	14,506,000	19,630,000
†Commercial production	836,000	1,100,000	622,000	14,063,000	13,781,000	18,217,000
Beehive coke—						
United States total	148,600	154,400	74,600	1,993,600	1,658,200	1,667,400
By-product coke—						
United States total	1,165,700	1,160,500	‡	15,715,700	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					¶March avge.
State—	Mar. 28 1942	Mar. 21 1942	Mar. 22 1941	Mar. 23 1940	Mar. 20 1937	1923
Alaska	3	4	3	3	2	**
Alabama	385	370	369	284	307	423
Arkansas and Oklahoma	41	40	71	24	52	77
Colorado	130	146	142	103	153	195
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,122	1,195	1,362	939	1,553	1,684
Indiana	470	474	583	335	523	575
Iowa	58	60	71	55	122	122
Kansas and Missouri	159	140	197	123	203	144
Kentucky—Eastern	850	806	910	642	898	560
Kentucky—Western	211	220	259	154	282	215
Maryland	45	41	40	31	36	52
Michigan	7	6	12	12	18	32
Montana	70	71	63	44	72	68
New Mexico	27	30	28	16	41	53
North and South Dakota	37	36	55	38	38	**34
Ohio	726	706	624	393	644	740
Pennsylvania bituminous	2,868	2,825	2,709	1,992	2,849	3,249
Tennessee	152	137	149	99	115	118
Texas	8	8	8	12	14	19
Utah	92	93	77	49	93	68
Virginia	353	346	363	251	333	230
Washington	32	33	41	25	38	74
*West Virginia—Southern	2,250	2,145	2,165	1,701	2,079	1,172
†West Virginia—Northern	912	875	827	597	767	717
Wyoming	140	140	142	89	132	136
‡Other Western States	1	2	1	1	1	**7
Total bituminous coal	11,150	10,950	11,272	8,013	11,365	10,764
§Pennsylvania anthracite	1,158	1,107	1,105	874	1,334	2,040
Total, all coal	12,308	12,057	12,377	8,887	12,699	12,804

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Preliminary Estimates Of March Coal Output

According to preliminary estimates made by the Bureau of Mines and the Bituminous Coal Division of the United States Department of the Interior, bituminous coal production during the month of March, 1942, amounted to 47,400,000 net tons, compared with an estimated 43,840,000 net tons in the preceding month and 47,996,000 net tons in the corresponding month last year. Pennsylvania anthracite output during March, 1942, totaled 5,081,000 net tons, as against 4,772,000 net tons in February, 1942, and 4,595,000 net tons in March, 1941. The consolidated statement of the two aforemention organizations follows:

	Total for Month (Net Tons)	No. of Work. Days	Average per Work. Day (Net Tons)
March, 1942 (preliminary)—			
*Bituminous coal	47,400,000	26	1,823,000
†Anthracite	5,081,000	--	------
By-product coke	5,153,000	--	------
Beehive coke	653,100	--	------
February, 1942—			
*Bituminous coal	‡43,840,000	24	1,827,000
†Anthracite	§4,772,000	--	------
By-product coke	§4,516,000	--	------
Beehive coke	§609,600	--	------
March, 1941—			
*Bituminous coal	‡47,996,000	26	1,846,000
†Anthracite	§4,595,000	--	------
By-product coke	§4,999,000	--	------
Beehive coke	§585,600	--	------

*Includes for purposes of historical comparison and statistical convenience, the production of lignite. †Total production, including colliery fuel, washery and dredge coal, and coal shipped by truck from authorized operations. ‡Preliminary figure. §Revised figure.

Note—All current estimates will later be adjusted to agree with the results of the complete canvas of production made at the end of the calendar year.

Unemployment Rise Halted In February

A decline of 85,000 in the number of jobless persons in the United States in February brought total unemployment in the United States down to a round 4,000,000, according to the Division of Industrial Economics of The Conference Board. The decline marked the first check in an upward trend in unemployment which began from a low point of 461,000 last September and reached 4,100,000 in January.

Commenting on the February decline, the Board's report, under date of April 13, said:

> Job displacements resulting from plant conversions to armament production appear to have been checked, at least temporarily. sweeping limitation and conversion orders issued by the WPB during the past month, however, may have again increased the current volume of priorities unemployment.

The Board adds that as compared with the unemployment total of 7,300,000, for February, 1941, this February's total represented a decline of 3,300,000. The total number of persons employed in February, including the armed services, rose from 50,900,000 in January to 51,000,000 in February, as compared with 47,300,000 in February of last year, says the Board, which reports that January to February increases in the number of persons on payrolls were largely in the manufacturing and service industries. In the former, employment rose from 13,642,000 to 13,680,000; in the civil and military services there was an increase of about 150,000.

The Conference Board further said:

> The gain in factory employment was the first since last October, but the gain over January was less than was expected for the season, amounting to only 38,000, as against an increase of 242,000 from January to February of last year. The sharpest decline was in the trade group, particularly among automobile distributors. A slight gain in construction was concentrated in Federal projects, which took on about 100,000 additional workers, while employment in private construction continued to fall off. Transportation, mining and public utilities also employed fewer workers in February than in January.
>
> Unseasonable weather held farm employment at the January level, the total number remaining at 8,940,000, a slight decrease from February, 1941. The number of family workers on farms rose, but that of hired hands was lower in February than in January for the first time in 17 years.
>
> Unemployment compensation benefits paid and claims filed are indications of the extent and trend of the displacement caused by the curtailment or conversion of industry to war production. In February such benefits amounted to $39,900,000, or a little less than the $41,100,000 paid in January. Total benefits paid in February covered 3,300,000 man weeks of unemployment, as compared with about 4,500,000 man weeks in January. The number of persons filing initial claims was about 10% higher than in February, 1941.
>
> Increased unemployment compensation payments in February were reported by about half of the States. Michigan benefits rose from the high January figure of $5,300,000 to $6,100,000, the two-month total representing three-fourths of all benefits paid in the State in 1941. The completion of war construction projects in the South and in Kansas and Missouri contributed to the increase in the number of new claims.

The Conference Board's estimates of unemployment and of employment by broad occupational classifications are presented in the following table for February and January, 1942; for February and December, 1941; and for February, 1940.

EMPLOYMENT AND UNEMPLOYMENT, FEBRUARY, 1942 (In Thousands)

Distribution of	February		1941	1942	
Labor Force—	1940	1941	Dec.	†Jan.	†Feb.
Total unemployment	10,509	7,316	3,129	4,108	4,022
Total employment (including armed forces)	43,636	47,303	51,857	50,914	51,036
Agriculture	9,073	8,968	8,665	8,940	8,940
Forestry and fishing	191	199	202	200	200
Total industry	15,961	18,324	20,517	20,042	20,065
Extraction of minerals	760	764	805	800	794
Manufacturing	11,038	12,295	13,821	13,642	13,680
Construction	1,364	2,358	2,602	2,366	2,390
Transportation	1,862	1,937	2,248	2,195	2,171
Public utilities	937	970	1,041	1,039	1,031
Trade, distribution and finance	7,446	7,557	8,408	7,781	7,725
Service industries (including armed forces)	10,029	11,216	12,894	12,813	12,964
Miscellaneous industries	937	1,039	1,172	1,139	1,142
*Emergency employment, WPA, CCC, and NYA (out-of-school)	2,974	2,658	1,462	1,372	1,362

*Not included in employment total. †Preliminary.

March Department Store Sales

The Board of Governors of the Federal Reserve System announced on April 9 that in March value of department store sales increased less than seasonally from the unusually high levels prevailing in January and February. The Board's adjusted index, which includes allowance for the changing date of Easter, declined to 122% of the 1923-25 average as compared with 126 in February and an average of 111 in the last quarter of 1941.

INDEX OF DEPARTMENT STORE SALES† (1923-25 AVERAGE=100)

	Mar., 1942	Feb., 1942	Jan., 1942	Mar., 1941
Adjusted for seasonal variation	122	126	138	103
Without seasonal adjustment	116	99	108	93

Change from corresponding period a year ago (per cent)‡

Federal Reserve	One week ending				Four weeks ending				Year to
District—	Apr. 4	Mar. 28	Mar. 21	Mar. 14	Apr. 4	Mar. 28	Feb. 28	Jan. 31	Apr. 4
Boston	+22	+19	+30	+27	+24	+28	+17	+38	+28
New York	+13	+24	+21	+22	+20	+23	+18	+31	+23
Philadelphia	+14	+28	+35	+15	+22	+31	+33	+41	+32
Cleveland	+24	+35	+37	+35	+32	+33	+21	+46	+32
Richmond	+25	+46	+35	+40	+36	r+41	+35	+45	+38
Atlanta	+26	+20	+20	+15	+20	+17	+7	+24	+17
Chicago	+22	r+23	+21	+23	+22	+23	+21	+34	+25
St. Louis	+25	+24	+26	+31	+26	+28	+21	+37	+28
Minneapolis	*	*	*	*	+11	+15	+18	+31	+21
Kansas City	+27	r+13	+25	+22	+21	+20	+14	+34	+23
Dallas	+16	r+8	+21	+17	+15	r+15	+8	+25	+16
San Francisco	+37	+28	+26	+18	+27	+25	+25	+29	+27
U. S. total	+22	r+25	+26	+24	+24	+26	+21	+35	+26

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100)

1942—		1941—	
Mar. 14	131	Mar. 15	105
Mar. 21	140	Mar. 22	111
Mar. 28	r147	Mar. 29	117
Apr. 4	160	Apr. 5	131

r Revised. *Not shown separately but included in United States total. †Monthly indexes refer to daily average sales in calendar month; March 1942 figures estimated from weekly sales. ‡During March and April changes from a year ago reflect in part the fact that Easter was on April 13 last year while this year it was on April 5. On this account it is estimated that in comparisons with last year allowance should be made for an increase of about 4% for the month of March as a whole and for a corresponding decrease for the month of April as a whole.

March Pig Iron Output At New High

The April 9 issue of the "Iron Age" reported that production of coke pig iron reached a new high in March, amounting to 5,113,187 net tons (partly estimated), compared to 4,502,273, the revised total for February. On a daily basis, production in March increased about 2% over that in February, or from 160,795 tons a day the previous month to 164,941 tons a day in March. The operating rate for the industry last month was 99.9% of capacity, compared to 97.4% in February.

There were 220 furnaces in blast on April 1 producing at the rate of 164,675 net tons a day, compared to the same number on March 1, making 160,795 tons.

MERCHANT IRON MADE. DAILY RATE—NET TONS

	1942	1941	1940	1939	1938
January	20,085	20,812	16,475	11,875	11,911
February	22,502	21,254	14,773	10,793	9,916
March	21,790	23,069	11,760	10,025	9,547
April	------	20,434	13,656	9,529	9,266
May	------	21,235	16,521	7,883	7,203
June	------	21,933	13,662	8,527	6,020
July	------	21,957	16,619	9,404	6,154
August	------	22,578	17,395	11,225	7,403
September	------	21,803	17,571	12,648	12,550
October	------	23,243	18,694	16,409	12,095
November	------	22,690	22,792	16,642	14,793
December	------	23,567	19,779	16,912	10,266

PRODUCTION OF COKE PIG IRON AND FERROMANGANESE—NET TONS

	—Pig Iron x—		—Ferromanganese y—	
	1942	1941	1942	1941
January	4,970,531	4,663,695	36,455	35,337
February	4,502,273	4,197,872	42,832	33,627
March	5,113,187	4,704,135	51,775	55,460
April	------	4,334,267	------	56,871
May	------	4,599,966	------	58,578
June	------	4,553,165	------	53,854
Half-year	------	27,053,100	------	293,727
July	------	4,770,778	------	57,710
August	------	4,791,432	------	52,735
September	------	4,716,901	------	46,932
October	------	4,856,306	------	55,495
November	------	4,702,927	------	47,669
December	------	5,012,276	------	48,188
Year	------	55,903,720	------	539,163

x These totals do not include charcoal pig iron. y Included in pig iron figures.

DAILY AVERAGE PRODUCTION OF COKE PIG IRON

	—1942—		—1941—		1940
	Net Tons	% Capacity	Net Tons	% Capacity	Net Tons
January	160,340	97.7	150,441	95.5	130.061
February	160,795	97.4	149,924	95.2	114,189
March	164,941	99.9	151,745	96.9	105.500
April	------	---	144,475	91.8	104,567
May	------	---	148,386	93.8	113,345
June	------	---	151,772	95.9	127,297
Half-year	------	---	149,465	94.5	115,844
July	------	---	153,896	97.1	130,772
August	------	---	154,562	97.5	136,711
September	------	---	157,230	99.2	139,218
October	------	---	156,655	98.2	143,419
November	------	---	156,764	97.7	146,774
December	------	---	161,686	101.2	146,697
Year	------	---	153,161	96.6	128,276

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
December	743,637	760,775	530,459	93	--
1942—Month of—					
January	673,122	668,230	528,698	102	--
February	640.269	665.689	493.947	101	--
March (5 weeks)	781,805	838,298	436,029	101	--
1941—Week Ended—					
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514,622	101	102
Jan. 31	181,070	167,040	528,698	101	102
Feb. 7	162,894	168,424	522,320	101	102
Feb. 14	156,745	167,424	510,542	101	102
Feb. 21	157,563	165,240	496,272	102	102
Feb. 28	163,067	164,601	493,947	100	102
Mar. 7	177,823	165,081	505,233	101	101
Mar. 14	140,125	166,130	476,182	100	101
Mar. 21	157,908	169,444	465,439	101	101
Mar. 28	144,061	168,394	442,556	100	101
Apr. 4	161,888	169,249	436,029	100	101

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

March Retail Prices Show Nominal Gains According To Fairchild Publications Index

Retail prices during March showed the smallest gains in some time, according to the Fairchild Publications Retail Price Index. The index in March at 112.5 (Jan. 3, 1931 equals 100) shows an advance of only 0.5% over February. However, prices show a gain of 18.7% compared with the corresponding period a year ago. Compared with the period immediately preceding the outbreak of hostilities in 1939 the index shows a gain of 26.5%.

In announcing this on April 13, the Fairchild Publications added:

> Each of the major groups advanced during the month, with men's apparel recording the greatest gain, 1.5%. Infants' wear and home furnishings showed the smallest advance during the month, 0.7%. Women's apparel showed the highest gain above a year ago, and infants' wear the smallest. Piece goods recorded the greatest advance in comparison with the period immediately preceding the outbreak of hostilities.
>
> With the exception of furs, which remained unchanged, and furniture, which showed a fractional decline, each commodity included in the Fairchild Publications Retail Price Index recorded an advance during the month. The greatest increases were recorded for corsets, men's underwear, women's hosiery, women's aprons and housedresses, men's underwear, furs and furniture.
>
> While there has been a narrowing of the spread between wholesale and retail prices, retail quotations nevertheless still continue below a wholesale replacement basis. However, the spread is not uniform. Further gains in retail prices would be logical, according to A. W. Zelomek, economist under whose supervision the Fairchild Publications Retail Price Index is compiled. At the time of release, however, there are indications that the Office of Price Administration may put a ceiling on wholesale and retail prices, so that the spread may be frozen. Adjustments may be made later as hardships are revealed, as provided under the Price Control Law.

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX
JAN. 3, 1931=100
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	May 1, 1933	Apr. 1, 1941	Jan. 2, 1942	Feb. 1, 1942	Mar. 1, 1942	Apr. 1, 1942
Composite Index	69.4	94.8	108.3	110.2	111.9	112.5
Piece Goods	65.1	87.8	105.0	107.1	110.8	111.8
Men's Apparel	70.7	89.4	98.1	101.1	102.7	104.2
Women's Apparel	71.8	83.6	107.7	109.1	111.2	112.1
Infants' Wear	76.4	97.6	103.7	104.9	106.7	107.5
Home Furnishings	70.2	96.5	110.2	112.7	114.3	115.1
Piece Goods						
Silks	57.4	69.8	81.3	82.1	83.9	84.7
Woolens	69.2	90.1	101.7	104.2	106.6	107.8
Cotton Wash Goods	68.6	103.6	132.0	134.9	141.8	142.8
Domestic						
Sheets	65.0	94.6	114.7	120.8	124.9	126.7
Blankets & Comfortables	72.9	117.2	125.5	128.8	132.0	134.3
Women's Apparel						
Hosiery	59.2	73.2	88.6	89.8	91.5	92.7
Aprons & House Dresses	75.5	106.7	129.5	134.2	138.4	139.5
Corsets & Brassieres	83.6	92.9	103.2	105.2	108.1	110.0
Furs	66.8	113.5	*135.9	*134.0	*135.3	*135.3
Underwear	69.2	87.0	98.8	100.6	102.1	102.4
Shoes	76.5	88.9	90.4	91.0	91.6	92.1
Men's Apparel						
Hosiery	64.9	87.3	96.4	102.4	104.9	106.0
Underwear	69.6	92.0	106.2	110.4	111.7	114.4
Shirts & Neckwear	74.3	86.1	93.1	96.1	97.9	98.8
Hats & Caps	69.7	83.8	89.4	90.8	91.8	92.7
Clothing incl. Overalls	70.1	92.4	100.0	102.2	103.4	104.7
Shoes	76.3	94.7	103.8	104.5	106.6	108.3
Infants' Wear						
Socks	74.0	103.6	107.3	108.8	112.0	113.4
Underwear	74.3	95.2	101.2	102.1	102.8	103.2
Shoes	80.9	93.9	102.5	103.8	105.2	105.8
Furniture	69.4	105.3	126.6	128.6	129.8	129.1
Floor Coverings	79.9	128.0	140.7	143.9	144.8	145.2
Radios	50.6	53.5	*65.7	*66.3	*66.6	*66.7
Luggage	60.1	76.1	*89.7	*92.6	*93.3	*94.7
Electrical Household Appliances	72.5	80.5	*91.6	*92.3	*92.7	*93.5
China	81.5	96.1	106.4	108.5	109.6	110.4

Note—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*The Federal tax of 10% at retail is excluded in the computation of the fur index. The excise taxes on luggage, radios, and electrical appliances are levied on the manufacturers.

Lumber Manufacturing Statistics During Four Weeks Ended March 28, 1942

We give herewith data on identical mills for the four weeks ended March 28, 1942, as reported by the National Lumber Manufacturers Association on April 7:

An average of 470 mills report as follows to the National Lumber Trade Barometer for the four weeks ended March 28, 1942:

	—Production—		—Shipments—		—Orders Rec'd—	
(In 1,000 feet)	1942	1941	1942	1941	1942	1941
Softwoods	894,758	933,914	1,016,519	976,928	1,056,689	1,075,319
Hardwoods	49,095	43,398	51,172	48,603	52,932	52,309
Total lumber	943,853	977,312	1,067,691	1,025,531	1,109,621	1,127,628

Production during the four weeks ended March 28, 1942, as reported by these mills, was 3% below that of corresponding weeks a year ago. Softwood production in 1942 was 4% below that of the same weeks of 1941 and 11% above the records of comparable mills during the same period of 1940. Hardwood output was 13% above production of the 1941 period.

Shipments during the four weeks ended March 28, 1942, were 4% above those of corresponding weeks of 1941, softwoods showing a gain of 4% and hardwoods a gain of 5%.

Orders received during the four weeks ended March 28, 1942, were 2% below those of corresponding weeks of 1941. Softwood orders in 1942 were 2% below those of similar period of 1941 and 20% above the same weeks of 1940. Hardwood orders showed a gain of 1% as compared with corresponding weeks of 1941.

On March 28, 1942, gross stocks as reported by 389 softwood mills were 2,596,703,000 feet, the equivalent of 67 days' average production (three year average 1939-40-41) as compared with 2,896,537,000 feet on March 29, 1941, the equivalent of 75 days' average production.

On March 28, 1942, unfilled orders as reported by 387 softwood mills were 1,329,410,000 feet, the equivalent of 35 days' average production, compared with 1,143,434,000 feet, on March 29, 1941, the equivalent of 30 days' average production.

Alumni Reunion For School Of Banking

The alumni of the Graduate School of Banking will have its annual Spring reunion April 11, at the Manhattan Club, New York City, it is announced. The reunion will consist of a series of educational conferences on commercial banking, investment problems, trust service and savings management in the afternoon, a social hour from 5 to 6 p.m. and a dinner at 6 o'clock. On the same day and at the same place the faculty of the Graduate School will hold its organization meeting to discuss the teaching program. Faculty members will be dinner guests.

The dinner program will include talks by Dr. Harold Stonier, Director of the school and Executive Manager of the American Bankers Association; Walter B. French, class of 1937, who is Director of the ABA Consumer Credit Department, and William Powers, class of 1937, director of customer relations of the ABA.

The committee in charge is made up of the following:

W. J. L. Patton, Assistant Comptroller National City Bank, New York, N. Y., Chairman.

John S. Brayton, President B. M. C. Durfee Trust Co., Fall River, Mass.

William C. Fenniman, Assistant Trust Officer Phoenix State Bank & Trust Co., Hartford, Conn.

John A. Herber, Executive Assistant National City Bank, New York, N. Y.

Charles J. Machleid, Vice-President, Cashier, Director, and Trust Officer Peninsula National Bank, Cedarhurst, N. Y.

John F. Mannion, Second Vice-President Continental Illinois National Bank & Trust Co., Chicago, Ill.

Paul D. Peterson, Secretary-Treasurer and Trust Officer Swedesboro Trust Co., Swedesboro, N. J.

Grain Sold For Alcohol

The Department of Agriculture reported on April 4 that the Commodity Credit Corporation had contracted for the sale, during the period ending April 30, 1942, of about 5,500,000 bushels of corn and about 238,000 bushels of wheat to be processed into ethyl alcohol, acetone, or butyl alcohol. Grain deliveries under these contracts to date have amounted to approximately 2,250,000 bushels.

The Department further reported:

> Commodity Credit Corporation had previously offered to make available up to 60,000,000 bushels of corn and wheat from Government-owned stocks of grain for conversion into industrial alcohol. To convert this volume of grain, officials pointed out, it would be necessary either to equip molasses-alcohol plants with machinery for conveying and grinding grain, or utilize the facilities of high wine distilleries in high-proof alcohol production.
>
> Prior to the corn and wheat-alcohol program now in operation, the Department cooperated with the War Department in production of industrial alcohol and in Aug., 1941, offered to make corn available for this purpose. Under this program approximately 2,000,000 bushels of corn were utilized.
>
> Requirements for industrial alcohol have been increased greatly as a result of the war. This type of alcohol is used in the manufacture of smokeless powder, and as a base of solvents and other materials also essential in the war effort.
>
> The use of grain conserves raw sugar, as approximately the same quantity of industrial alcohol can be produced from 40 bushels of grain as from 1 ton of raw sugar.

Wholesalers' Sales, Inventories & Credits

Sales of wholesalers in February totaled $310,126,000, a 34% advance over the same month of 1941, according to an announcement released March 31 by J. C. Capt, Director of the Census. The gain reported in January of this year as compared with January, 1941, was 37%. For the first two months of 1942, the gain amounted to 36% over corresponding months in 1941. A decrease of 4% occurred between January and February of 1942, as against the decrease of 1% which occurred between these months in 1941.

The announcement also points out:

> Increases ranging from 9% to 116% were reported in all but one of the 35 trades for February, 1942, compared with the same month a year ago. Seven trades gained as much as 50% or more for February, 1942, compared with February, 1941. Four additional trades show gains ranging from 40 to 50%. General line hardware increased 45%, industrial supplies 36%, and plumbing and heating supplies 39%. Grocery wholesalers reported a gain of 30%. Drugs and sundries (liquor excluded) show a gain of 18%. A decrease of 5% was reported by the metal trades.
>
> Inventories, (amounting to $295,873,000) in terms of dollars based on cost values, rose slightly (less than 1%) during the month, but are 24% above the end of February, 1941 total. For 14 consecutive months inventories at the end of the month have exceeded those at the beginning. February is the thirty-first consecutive month in which inventories have exceeded those at the same date one year earlier. A part of the inventory gain, as well as the sales gains, must, however, be attributed to prices.
>
> The sales-stock ratio at the close of February, 1942, was 157 as against 165 for the same month of 1941. Twenty-three trades reported decreases in stock-sales ratios between February, 1941 and February, 1942, while nine reported increases. Wholesalers of electrical goods, with a 37% gain in inventory for February, 1942, over February a year ago and a 28% gain in sales, continued to be among those outstanding for rising stock-sales ratios.
>
> Collections on accounts receivable for February show a moderate gain compared with collections for February a year ago but were slightly below those of the preceding month. The collection ratio for February was 79, compared with a ratio of 71 for these firms in February, 1941, and 82 in January, 1942. Accounts receivable were 25% greater on Feb. 1, 1942, than at the same date in 1941, but were slightly below Jan. 1, 1942—less than 1%.
>
> This monthly study is conducted jointly by the National Association of Credit Men and the Bureau of the Census.

Barbados Sugar Price Up

It was announced on March 31 by the U. S. Department of Commerce at Washington that reports to it indicate that after considerable negotiation the British Government has agreed to increase the price to be paid for the 1942 Barbados sugar crop from $2.30½ per hundred pounds to $2.52½, Barbados currency. The Department adds that the increase in price was allowed partly because of the increased cost of fertilizer and other items but principally in order that the estimated 35,000 agricultural workers could be paid higher wages to meet the increased cost of living.

Revenue Freight Car Loadings During Week Ended April 4, 1942, Totaled 828,890 Cars

Loading of revenue freight for the week ended April 4, totaled 828,890 cars, the Association of American Railroads announced on April 9. The increase above the corresponding week in 1941 was 145,488 cars, or 21.3%, and above the same week in 1940 was 226,055 cars, or 37.5%.

Loading of revenue freight for the week of April 4 increased 24,144 cars, or 3% above the preceding week.

Miscellaneous freight loading totaled 376,656 cars, an increase of 5,940 cars above the preceding week, and an increase of 28,359 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 139,798 cars, a decrease of 3,752 cars below the preceding week, and a decrease of 23,144 cars below the corresponding week in 1941.

Coal loading, which was affected by a holiday on April 1, amounted to 147,816 cars, a decrease of 8,232 cars below the preceding week, but an increase of 88,975 cars above the corresponding week in 1941 which was affected by strike.

Grain and grain products loading totaled 35,330 cars, an increase of 1,616 cars above the preceding week, but a decrease of 75 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of April 4 totaled 21,949 cars, an increase of 1,492 cars above the preceding week, and an increase of 609 cars above the corresponding week in 1941.

Live stock loading amounted to 11,986 cars, an increase of 1,189 cars above the preceding week, and an increase of 1,149 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of April 4 totaled 9,415 cars, an increase of 1,662 cars above the preceding week, and an increase of 1,321 cars above the corresponding week in 1941.

Forest products loading totaled 48,415 cars, an increase of 2,494 cars above the preceding week, and an increase of 9,733 cars above the corresponding week in 1941.

Ore loading amounted to 55,044 cars, an increase of 24,890 cars above the preceding week, and an increase of 36,806 cars above the corresponding week in 1941.

Coke loading amounted to 13,845 cars, a decrease of one car below the preceding week, but an increase of 3,685 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding weeks in 1941 and 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Week of April 4	828,890	683,402	602,835
Total	10,981,375	10,070,387	8,773,365

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 4, 1942. During this period 102 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 4

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	608	580	581	1,457	1,412
Bangor & Aroostook	2,218	2,355	1,963	280	220
Boston & Maine	7,961	8,392	6,706	16,216	14,028
Chicago, Indianapolis & Louisville	1,496	1,215	1,244	2,006	2,496
Central Indiana	35	13	20	46	67
Central Vermont	1,249	1,471	1,338	2,072	2,602
Delaware & Hudson	6,701	4,928	4,282	13,043	9,906
Delaware, Lackawanna & Western	7,701	8,912	6,850	9,446	8,473
Detroit & Mackinac	283	239	274	177	99
Detroit, Toledo & Ironton	2,060	1,862	2,574	1,323	1,355
Detroit & Toledo Shore Line	332	434	256	3,442	4,076
Erie	14,073	14,038	10,695	15,510	14,296
Grand Trunk Western	4,597	6,437	4,756	8,335	10,431
Lehigh & Hudson River	211	217	258	4,066	2,598
Lehigh & New England	1,672	1,661	1,580	1,915	1,504
Lehigh Valley	8,150	8,031	6,089	10,532	8,402
Maine Central	2,884	2,813	2,390	4,255	3,993
Monongahela	6,218	1,512	4,041	464	312
Montour	2,316	558	1,716	43	34
New York Central Lines	47,145	46,332	36,959	54,113	41,601
N. Y., N. H. & Hartford	12,196	11,779	9,076	20,048	16,191
New York, Ontario & Western	1,007	1,082	942	3,267	2,292
New York, Chicago & St. Louis	7,315	5,974	4,850	15,877	12,940
N. Y., Susquehanna & Western	498	498	386	1,540	1,615
Pittsburgh & Lake Erie	8,546	7,356	5,819	7,638	4,933
Pere Marquette	5,273	6,882	6,067	6,261	6,424
Pittsburgh & Shawmut	666	240	555	60	45
Pittsburgh, Shawmut & North	426	210	359	333	214
Pittsburgh & West Virginia	1,010	725	850	3,190	2,344
Rutland	521	627	635	1,226	1,163
Wabash	5,875	6,098	4,893	10,887	10,672
Wheeling & Lake Erie	5,533	3,682	3,230	4,835	4,208
Total	166,778	157,153	133,234	223,903	190,946
Allegheny District—					
Akron, Canton & Youngstown	628	592	452	1,151	1,037
Baltimore & Ohio	39,071	31,152	27,817	26,271	19,819
Bessemer & Lake Erie	3,846	2,586	2,474	2,375	1,792
Buffalo Creek & Gauley	303	5	201	2	2
Cambria & Indiana	1,823	376	1,176	11	15
Central R. R. of New Jersey	8,014	7,380	6,252	19,648	14,373
Cornwall	664	648	428	64	84
Cumberland & Pennsylvania	257	123	195	32	44
Ligonier Valley	152	56	66	30	34
Long Island	800	759	503	3,623	3,212
Penn-Reading Seashore Lines	1,799	1,607	1,007	2,726	1,753
Pennsylvania System	81,401	66,438	53,205	56,836	44,943
Reading Co.	15,599	15,565	12,218	29,323	20,725
Union (Pittsburgh)	21,353	19,903	13,277	3,993	3,984
Western Maryland	3,809	2,636	3,141	13,918	7,764
Total	179,519	149,826	122,412	160,003	119,581
Pocahontas District—					
Chesapeake & Ohio	26,629	12,592	20,868	12,347	10,101
Norfolk & Western	22,825	10,613	16,797	7,043	5,735
Virginian	4,452	1,565	3,592	2,217	1,505
Total	53,906	24,770	41,257	21,607	17,341
Southern District—					
Alabama, Tennessee & Northern	409	271	237	419	155
Atl. & W. P.—W. R. R. of Ala.	967	936	811	2,409	1,795
Atlanta, Birmingham & Coast	702	726	586	1,220	1,129
Atlantic Coast Line	*13,440	12,093	10,272	*9,804	6,645
Central of Georgia	4,625	4,889	3,975	4,050	4,016
Charleston & Western Carolina	454	517	457	1,938	1,573
Clinchfield	1,681	1,635	1,476	2,629	2,274
Columbus & Greenville	366	271	304	267	321
Durham & Southern	80	224	160	340	496
Florida East Coast	2,581	1,233	1,435	1,343	1,009
Gainesville Midland	49	44	28	132	128
Georgia	1,766	1,076	1,186	2,598	2,016
Georgia & Florida	367	379	318	634	607
Gulf, Mobile & Ohio	4,433	3,874	3,352	3,730	3,450
Illinois Central System	28,794	21,550	18,747	15,206	12,868
Louisville & Nashville	26,191	17,753	19,289	9,750	7,936
Macon, Dublin & Savannah	183	180	131	721	925
Mississippi Central	183	180	153	444	478
Nashville, Chattanooga & St. L.	3,391	3,570	2,997	3,876	3,558
Norfolk Southern	1,267	1,223	1,211	1,385	1,098
Piedmont Northern	505	535	460	1,068	1,470
Richmond, Fred. & Potomac	542	396	326	9,997	6,373
Seaboard Air Line	11,215	10,475	9,605	7,743	6,157
Southern System	26,310	24,107	20,745	22,483	18,064
Tennessee Central	736	536	353	872	646
Winston-Salem Southbound	137	135	152	953	863
Total	131,374	108,808	98,766	106,011	86,050
Northwestern District—					
Chicago & North Western	20,911	17,067	13,866	12,462	11,991
Chicago Great Western	2,663	2,506	2,353	3,055	3,156
Chicago, Milw., St. P. & Pac.	19,805	19,788	17,777	8,857	9,262
Chicago, St. Paul, Minn. & Omaha	3,304	3,464	3,098	3,742	3,827
Duluth, Missabe & Iron Range	16,379	1,470	515	281	256
Duluth, South Shore & Atlantic	695	482	429	656	546
Elgin, Joliet & Eastern	10,136	10,259	6,104	9,716	8,220
Ft. Dodge, Des Moines & South	571	549	472	150	158
Great Northern	18,660	10,478	8,994	4,283	3,740
Green Bay & Western	515	519	474	804	699
Lake Superior & Ishpeming	2,482	1,624	144	80	69
Minneapolis & St. Louis	2,111	1,648	1,632	2,153	2,308
Minn., St. Paul & S. S. M.	6,642	4,881	4,400	3,214	2,622
Northern Pacific	10,484	9,395	9,279	4,465	4,073
Spokane International	126	115	81	412	324
Spokane, Portland & Seattle	2,821	2,431	1,627	2,868	1,795
Total	118,305	86,676	71,245	57,198	53,046
Central Western District—					
Atch., Top. & Santa Fe System	22,683	20,366	17,244	9,182	7,090
Alton	3,531	3,277	2,634	3,828	2,726
Bingham & Garfield	552	612	444	132	101
Chicago, Burlington & Quincy	15,786	15,165	13,789	9,937	9,655
Chicago & Illinois Midland	2,747	717	1,815	793	899
Chicago, Rock Island & Pacific	11,403	11,983	10,056	10,968	10,487
Chicago & Eastern Illinois	2,501	2,622	2,197	3,089	3,228
Colorado & Southern	832	682	729	1,726	1,361
Denver & Rio Grande Western	2,569	1,840	1,989	4,640	2,983
Denver & Salt Lake	344	290	273	25	12
Fort Worth & Denver City	962	1,013	841	1,165	1,010
Illinois Terminal	1,996	1,792	1,647	2,093	1,493
Missouri-Illinois	1,328	904	755	465	474
Nevada Northern	2,009	1,921	1,640	148	177
North Western Pacific	1,051	575	609	421	412
Peoria & Pekin Union	18	6	13	0	0
Southern Pacific (Pacific)	27,778	24,240	20,979	9,485	6,428
Toledo, Peoria & Western	301	393	260	1,020	1,451
Union Pacific System	15,224	15,104	12,799	10,866	9,227
Utah	362	143	195	7	4
Western Pacific	1,727	1,562	1,292	3,281	2,405
Total	115,704	105,207	92,200	73,271	61,623
Southwestern District—					
Burlington-Rock Island	437	150	214	193	198
Gulf Coast Lines	4,800	3,650	2,848	2,713	1,775
International-Great Northern	1,987	1,877	1,562	3,073	2,431
Kansas, Oklahoma & Gulf	326	223	230	1,011	859
Kansas City Southern	4,378	2,220	1,909	2,859	2,573
Louisiana & Arkansas	3,071	2,190	1,691	2,090	1,878
Litchfield & Madison	391	252	316	1,005	962
Midland Valley	531	487	412	211	308
Missouri & Arkansas	228	159	164	420	407
Missouri-Kansas-Texas Lines	5,520	4,348	3,570	4,475	3,339
Missouri Pacific	15,748	13,416	11,938	15,373	10,959
Quanah Acme & Pacific	146	126	73	158	95
St. Louis-San Francisco	8,037	7,253	6,034	7,283	5,487
St. Louis Southwestern	3,370	2,673	2,180	5,207	3,286
Texas & New Orleans	9,635	7,814	6,650	4,445	3,899
Texas & Pacific	4,569	3,956	3,800	6,440	4,446
Wichita Falls & Southern	105	136	122	47	78
Weatherford M. W. & N. W.	25	22	8	28	24
Total	63,304	50,962	43,721	57,031	43,004

Note—Previous year's figures revised.

*Previous figures.

Latest Summary Of Copper Statistics

The Copper Institute on April 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper:

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production		Deliveries to Customers		†Refined Stocks End of Period	Stock Increases (+) or Decreases (—)	
	*Crude	Refined	§Domestic	Export		Blister	Refined
Year 1935	------	------	------	------	231,415	------	------
Year 1936	731,629	748,660	764,560	54,447	101,068	—17,031	—70,347
Year 1937	982,045	964,176	803,095	62,798	259,351	+17,869	+98,283
Year 1938	644,869	638,076	481,803	125,869	289,755	+6,793	+30,404
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	—16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	—67,208
Jan., 1941	83,280	93,840	119,736	22	116,854	—10,560	—25,918
Feb., 1941	79,240	93,654	112,808	11	97,689	—14,414	—19,165
Mar., 1941	85,701	95,322	134,333	6	89,873	—9,621	—7,816
Apr., 1941	88,042	89,687	123,580	49	98,789	—1,645	+8,916
May, 1941	90,342	89,390	148,301	--	93,070	+952	—5,713
June, 1941	82,558	88,560	121,331	42	98,164	—6,002	+5,088
July, 1941	82,099	86,879	150,078	33	74,384	—4,780	—23,780
Aug., 1941	84,695	85,426	119,937	--	71,930	—731	—2,454
Sept., 1941	81,839	81,553	125,585	--	63,670	+286	—8,260
Oct., 1941	86,019	86,617	126,622	144	67,260	—593	+3,590
Nov., 1941	84,718	84,799	124,645	--	72,352	—81	+5,092
Dec., 1941	88,463	89,940	138,585	--	75,564	—1,477	+3,212
Jan., 1942	‡88,254	90,017	130,467	--	81,371	—‡1,763	+5,807
Feb., 1942	‡80,148	81,724	107,616	--	77,329	—‡1,576	—4,042
Mar., 1942	92,202	89,552	111,062	--	79,537	+2,650	+2,208

*Mine or smelter production or shipments, and custom intake including scrap.

†At refineries, on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

§Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡Corrected.

March Steel Shipments 3.5% Above A Year Ago

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of March, 1942, totaled 1,780,938 net tons.

The March shipments compare with 1,616,587 net tons in the preceding month (February), an increase of 164,351 net tons, and with 1,720,366 net tons in the corresponding month in 1941 (March), an increase of 60,572 net tons.

For the year, 1942 to date, shipments were 5,136,418 net tons compared with 4,951,271 net tons in the comparable period of 1941, an increase of 185,147 net tons.

The shipments for the month of March, 1942, are the highest recorded for the month of March in the history of the corporation. The first quarter total is the highest first quarter on record.

In the table below we list the figures by months for various periods since January, 1929:

	1942	1941	1940	1939	1938	1929
January	1,738,893	1,682,454	1,145,592	870,866	570,264	1,364,801
February	1,616,587	1,548,451	1,009,256	747,427	522,395	1,388,407
March	1,780,938	1,720,366	931,905	845,108	627,047	1,605,510
April	------	1,687,674	907,904	771,752	550,551	1,617,302
May	------	1,745,295	1,084,057	795,689	509,811	1,701,874
June	------	1,668,637	1,209,684	607,562	524,994	1,529,241
July	------	1,666,667	1,296,887	745,364	484,611	1,480,008
August	------	1,753,665	1,455,604	885,636	615,521	1,500,281
September	------	1,664,227	1,392,838	1,086,683	635,645	1,262,874
October	------	1,851,279	1,572,408	1,345,855	730,312	1,333,385
November	------	1,624,186	1,425,352	1,406,205	749,328	1,110,050
December	------	1,846,036	1,544,623	1,443,969	765,868	931,744
Total by mos.	------	20,458,937	14,976,110	11,752,116	7,286,347	16,825,477
Yearly adjust.	------	------	37,639	*44,865	29,159	*12,827
Total	------	------	15,013,749	11,707,251	7,315,506	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1941, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

March Engineering Construction Up—Second Highest Monthly Total On Record

Engineered construction volume in March rose to $729,485,000, the second highest monthly total ever reported by "Engineering News-Record" on April 10. The volume climbed 15% over February, 1942, and jumped 61% over the March, 1941, figure.

Public construction was responsible for the gains, topping last month's mark by 17%, and rising 76% above a year ago. Private construction, however, was 3% under a month ago, and 13% below last year. Both State and municipal, and Federal work gained over February, 1942, but State and municipal fell 52% from the 1941 month, while Federal gained 120%.

	March, 1941	February, 1942	March, 1942
Total construction	$452,430,000	$634,823,000	$729,485,000
Private construction	77,417,000	69,284,000	67,299,000
Public construction	375,013,000	565,539,000	662,186,000
State and municipal	95,174,000	39,352,000	45,788,000
Federal	279,839,000	526,187,000	616,398,000

The March construction total brought the volume for the first quarter of 1942 to $1,993,088,000, a new record, and 36% higher than the previous peak established in the opening quarter last year. Private construction, $187,704,000 for the period, was 52% lower than a year ago, but public work, $1,805,384,000, rose to a new high, 68½% above 1941. Federal work, $1,639,685,000, increased 119% over a year ago and was responsible for the public gain as State and municipal work for the quarter was 49% below the opening 1941 quarter.

The three classes of engineered buildings—public, industrial and commercial—made up 72% of the 1942 opening quarter volume, and registered a 47% gain over the combined total for the corresponding 1941 quarter. Over $1,262,000,000 of the engineered buildings were public structures, 98% above a year ago; $77,300,000 were private industrial plants, 57% lower; and $91,300,000 were commercial buildings, 41% below the initial 1941 quarter volume.

Waterworks construction during the first quarter climbed 24% above last year; earthwork and drainage rose 304%, and unclassified construction was up 12%. All other classes of work reported lower volumes, 32% in sewerage; 37% in streets and roads, and 36% in bridges.

Three sections of the Nation were running ahead of their record volumes of last year. Southern volume was 78% higher; West of Mississippi jumped 86%; and Far West climbed 78%. New England, Middle Atlantic and Middle West were 14, 6 and 4% lower, in that order.

The March totals in each class of construction compared with those for February, 1942, showed gains in streets and roads, 143%; public buildings, 24%; commercial building and large-scale private housing, 39%; bridges, 20%; and sewerage, 80%. Losses were in industrial buildings, 26%; waterworks, 7%; earthwork and drainage, 79%; and unclassified construction, 11%.

Comparison of March volumes with those for the corresponding month last year revealed increases in public buildings, 130%; commercial buildings, 9%; waterworks, 15%; and sewerage, 29%. Decreases were reported in streets and roads, 8%; industrial buildings, 24%; bridges, 8%; earthwork and drainage, 52%; and unclassified construction, 9%.

Geographically, all regions except the Middle West and Far West reported higher volumes as compared with the preceding month. The New England total was up 90%; Middle Atlantic, up 22%; South, 43% higher; and West of Mississippi, up 87%.

New England, South and West of Mississippi also topped their totals for the corresponding month last year. New England volume rose 33%; South climbed 126%; and West of Mississippi jumped 156%. In addition, the Far West March total recorded a 131% increase over a year ago.

New Capital

New capital for construction totaled $46,991,000 for March. This compares with $653,542,000 reported for the corresponding 1941 month. Private investment made up $45,571,000 of the current month's total, 49% below last year. The balance of the financing volume $1,420,000 was for Federally-financed work.

New construction financing for the opening quarter reached $1,419,454,000, an increase of 6½% over the $1,332,653,000 for the opening 1941 quarter. Seven-eighths of the 1942 financing was for Federal work, a volume of 16% greater than that recorded in the period last year.

Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano announced on April 7 that during the month ended March 31, 1942, authorizations were issued to receivers for payments of dividends to the creditors of 15 insolvent national banks. The Comptroller stated that dividends so authorized will effect total distributions of $3,293,753 to 97,062 claimants who have proved claims aggregating $41,393,487, or an average payment of 7.96%. He added:

> The minimum and maximum percentages of dividends authorized were 4.45% and 12.69%, while the smallest and largest payments involved in dividend authorizations during the month were $31,553 and $834,900, respectively. Of the 15 dividends authorized during the month, 12 were for final dividend payments and three were for final and partial interest dividend payments. Dividend payments so authorized during the month ended March 31, 1942, were as follow:

DIVIDEND PAYMENTS TO CREDITORS OF INSOLVENT NATIONAL BANKS AUTHORIZED DURING THE MONTH ENDED MARCH 31, 1942

Name and Location of Bank—	Date Authorized	Distribution of Funds by Dividend Authorized	Total Percentage Authorized Dividends to Date	Amount Claims Proved
Commercial National Bank, Washington, D. C.	3-23-42	$703,200	82.57%	$5,594,500
Seventh Street Savings Bk., Washington, D. C.	3-19-42	124,100	106.8%	1,052,100
The National Bank of Pontiac, Illinois	3-18-42	52,200	72.65%	729,500
The Rockford Nat'l. Bank, Rockford, Illinois	3-9-42	456,700	84.69%	3,598,500
The Citizens Nat'l. Bank of Kokomo, Indiana	3-13-42	78,500	90.197%	2,387,000
Peoples-Ticonic Nat'l. Bank, Waterville, Maine	3-17-42	233,000	89.32%	5,393,800
The Ticonic Nat'l. Bank, Waterville, Maine	3-6-42	31,553	16.736%	550,087
The American NB & Tr. Co., Benton Harbor, Mich.	3-10-42	75,700	101%	1,514,900
The Commercial NB & Tr. Co., St. Joseph, Michigan	3-10-42	143,500	76.49%	2,396,100
The Diamond Nat'l. Bank, Pittsburgh, Pennsylvania	3-31-42	834,900	84.92%	8,416,100
The Duquesne Nat'l. Bank, Pittsburgh, Pennsylvania	3-26-42	154,200	94.45%	3,466,900
The First Nat'l. Bank of Verona, Pennsylvania	3-24-42	99,400	69.0%	1,529,600
The Central National Bank, Spartanburg, S. C.	3-18-42	120,700	102.38%	1,635,600
First National Bank, Spartanburg, S. C.	3-27-42	112,200	74%	1,602,600
First National Bank, Logan, West Virginia	3-24-42	73,900	79.84%	1,526,200

Market Value Of Stocks On New York Stock Exchange Lower On March 31

The New York Stock Exchange announced on April 4 that as of the close of business March 31, 1942, there were 1,238 stock issues aggregating 1,468,597,820 shares listed on the New York Stock Exchange, with a total market value of $32,844,183,750. This compares with 1,234 stock issues, aggregating 1,467,001,959 shares with a total market value of $35,234,173,432 on Feb. 28, 1942, and with 1,233 stock issues, aggregating 1,457,226,193 shares with a total market value of $39,696,269,155 on March 31, 1941.

In making public the figures, the Stock Exchange said:

> As of the close of business March 31, 1942, New York Stock Exchange member total net borrowings amounted to $330,361,019. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.01%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	—Mar. 31, 1942—		—Feb. 28, 1942—	
Group	Market Value $	Average Price $	Market Value $	Average Price $
Amusement	250,395,517	11.87	263,994,526	12.52
Automobile	2,668,164,449	22.33	2,650,392,186	22.18
Aviation	530,719,370	15.46	544,992,052	16.63
Building	376,624,546	17.29	396,928,477	18.22
Business & office equipment	236,266,755	20.12	244,213,260	20.79
Chemical	4,461,369,079	46.81	4,806,216,219	50.45
Electrical equipment	1,064,341,485	26.85	1,163,626,559	29.06
Farm machinery	515,828,380	39.36	553,519,974	42.24
Financial	618,741,359	12.10	664,400,010	12.99
Food	2,039,927,525	21.89	2,215,979,568	23.79
Garment	34,912,153	20.85	37,749,275	22.54
Land & realty	14,601,777	3.00	15,293,450	3.14
Leather	183,043,121	21.81	190,658,622	22.72
Machinery & metals	1,160,290,835	16.96	1,209,298,472	17.77
Mining (excluding iron)	1,286,200,648	21.76	1,394,521,200	23.59
Paper & publishing	335,147,451	15.13	349,201,098	15.76
Petroleum	3,293,984,242	17.15	3,589,542,965	18.68
Railroad	2,678,144,122	23.74	2,888,345,592	25.61
Retail merchandising	1,637,832,368	22.33	1,772,912,772	24.17
Rubber	265,974,985	25.11	272,572,437	25.74
Ship building & operating	86,305,300	20.14	89,840,541	20.96
Shipping services	8,466,851	4.61	9,183,544	5.00
Steel, iron & coke	1,989,455,573	39.14	2,066,273,693	40.65
Textiles	315,453,493	22.49	329,283,638	23.47
Tobacco	937,180,641	35.05	1,070,616,824	40.04
Utilities:				
Gas & electric (operating)	1,404,055,485	15.20	1,564,236,660	16.93
Gas & electric (holding)	573,103,799	5.98	715,756,492	7.47
Communications	2,606,226,135	62.33	2,846,347,898	68.07
Miscellaneous	67,357,717	9.19	71,901,504	9.81
U. S. companies oper. abroad	443,149,673	13.46	450,039,803	13.67
Foreign companies	666,393,261	16.46	694,850,198	17.17
Miscellaneous businesses	94,525,655	16.10	101,483,923	17.29
All Listed Stocks	32,844,183,750	22.36	35,234,173,432	24.02

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value $	Average Price $		Market Value $	Average Price $
1940—			1941—		
Jan. 31	45,636,655,548	31.68	Mar. 31	39,696,269,155	27.24
Feb. 29	46,058,132,499	31.96	Apr. 30	37,710,958,708	25.78
Mar. 30	46,694,763,118	32.34	May 31	37,815,306,034	25.84
Apr. 30	46,769,244,271	32.35	June 30	39,607,836,569	27.07
May 31	36,546,583,208	25.26	July 31	41,654,256,215	28.46
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40,984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37,882,316,239	25.87
Oct. 31	42,673,890,518	29.38	Dec. 31	35,785,946,533	24.46
Nov. 30	41,848,246,961	28.72	1942—		
Dec. 31	41,890,646,959	28.80	Jan. 31	36,228,397,999	24.70
1941—			Feb. 28	35,234,173,432	24.02
Jan. 31	40,279,504,457	27.68	Mar. 31	32,844,183,750	22.36
Feb. 28	39,398,228,749	27.08			

Ask Business Men Report Freezing Order Violation

Because the prompt and complete enforcement of the provisions of the freezing order is vital to the war effort, the Treasury Department on April 3 appealed directly to American bankers, brokers, and business men for cooperation in unearthing suspected violations of the order. The Department in indicating this said:

> Treasury officials stated that banks, securities houses and other financial institutions throughout the country are in a strategic position to discover any attempts to evade or avoid the provisions of the freezing control.
>
> The freezing order prohibits all transactions in which a national of any blocked country or a black listed person has any interest whatsoever, freezing control experts explained. By reporting suspected violations the businessmen, brokers, and bankers of America will render invaluable assistance to the Foreign Funds Division of the Treasury Department in its efforts to administer the order, and at the same time will serve to implement the economic war effort of the United Nations.
>
> The Treasury urged the general public, and particularly business men who come in daily contact with many persons, to report to the Federal Reserve Bank any facts which indicate that accounts of individuals should be blocked or investigated by the Treasury Department's Division of Foreign Funds Control.
>
> The present procedure does not require that the accounts of American citizens and most aliens within the United States be blocked except pursuant to specific instructions from the Treasury Department or the Federal Reserve Bank. In almost every case individuals within the United States are either citizens or generally licensed nationals and consequently not affected by the freezing control.
>
> In those special cases in which information at the disposal of bankers, businessmen, brokers and other financial institutions indicates the necessity of immediate blocking of an account of a person within the United States, freezing control officials ask that pertinent data be forwarded immediately to the Federal Reserve Bank.
>
> In cases in which any person desires to have a representative of the Treasury Department call on him in order that he submit confidential information, the nearest office of the Foreign Funds Control Investigate Unit should be requested to send out an agent for an interview.
>
> If there is no Foreign Funds Control Investigative office in the vicinity, the individual should get in touch with the District Coordinator of Treasury Enforcement Agencies and ask him to furnish an agent. Authorities reassured individuals concerned that all information made available to the Treasury will be received in absolute confidence.

U. S. Chamber Meeting

The 30th annual meeting of the Chamber of Commerce of the United States will be held at the Stevens Hotel in Chicago from April 27 through April 30. It is stated that the aim of the convention "will be to provide a wartime meeting place where business men may counsel with each other and with representatives of Government, in order that all may do a better, faster job." It is added that "the spirit of the gathering will be one of determination" and "will express the American will to victory in the phrase: 'Let's Get It Done.'"

AIB Members To Aid War Bond Campaign

The services of the 70,000 members of the American Institute of Banking have been offered to the U. S. Treasury in connection with its nation-wide savings bond pledge campaign by George T. Newell, National President of the AIB, who is Vice-President of the Manufacturers Trust Co. in New York City. In a letter dated April 2, addressed to Ted R. Gamble, Consultant to the Secretary of the Treasury at Washington, Mr. Newell said:

> It is our desire to supplement the work you are undertaking and I am therefore volunteering the services of this banking organization to assist you in every way possible.
>
> It is our thought that the best approach we can make is to advise our leaders throughout the country that this campaign is being undertaken and ask that they place themselves at the disposal of the State and local committees of the Defense Savings staff. We understand that pledge campaigns have already been conducted in Oregon, Iowa and Montana and know that a number of Institute men have played an important part in the work in Oregon. We have various national committees such as Public Speaking, Forum and Seminar, Public Relations and Publicity, who might also be found useful in explaining your objectives to the various communities.

Completing Removal Of Govt. Bureaus From D. C.

The removal of 14 Federal bureaus from Washington means the recapture of approximately 1,500,000 square feet of Government space for expanding war agencies, according to an unofficial estimate procured by the National Association of Real Estate Boards from Fred E. Taylor, manager of the Office of Decentralization, which is directing the transfer. It is expected that all of the bureaus will vacate by mid-April, since nine have already been transferred. It is estimated that some 32,000 people are involved in the mass exodus, made up of 14,000 employees and their families. The announcement from the Association, received April 4, also states:

> Bureaus now in process of moving are: Railroad Retirement Board to Chicago (1,600 employees).
>
> The Farm Credit Administration (1,240 employees) is scheduled to move shortly to Kansas City.
>
> Designated for removal and awaiting orders are Fish and Wild Life, Indian Affairs and National Parks, three small divisions of the Interior Department that will move to Chicago, and a division of the Federal Security Agency, new location undesignated.
>
> Already removed from Washington:
>
> Rural Electrification Administration to St. Louis, 1,233 employees;
>
> Patent Office to Richmond, 1,400 employees;
>
> Wage and Hour Division to New York City, 545 employees;
>
> Security and Exchange Commission to Philadelphia, 1,400 employees;
>
> Immigration and Naturalization Service to Philadelphia, 1,650 employees;
>
> Employees' Compensation Commission to New York City, 450 employees;
>
> Three divisions of Agricultural Adjustment Administration to Columbus, Ohio, 233 employees, and
>
> Farm Security Administration to Cincinnati, Ohio, 633 employees.

Agricultural Department Report On Winter Wheat, Rye, Etc.

The Department of Agriculture at Washington on April 10 issued its crop report as of April 1, 1942, which we present below:

Farmers have been delayed by adverse weather and are behind with spring work in much of the Nation; many complain of difficulty in securing competent help and some have been handicapped by lack of supplies. On the other hand, moisture conditions this spring are better than usual and the great majority of farm families are exerting themselves to increase production of crops and livestock products. The acreage of crops is expected to be the largest since 1932 and prospects for good yields per acre seem as favorable as at this season in any recent year. Livestock numbers, exclusive of work stock, are now above pre-drought peaks and still increasing, feed reserves are large, stocks of grain on farms are the largest on record for this season of the year, pastures and range prospects are promising and the production of meat, lard, milk and eggs is currently running at levels that provide fully the usual per capita supply in addition to the present volume of Lend-Lease purchases. Unless offset by increased use of farm fachinery, the shortages of competent labor that are now restricting the expansion of farming operations near industrial sections may affect more of the agricultural areas later in the year or next year. The decrease in man-power is already causing some consolidation of farms, more efficient use of equipment, longer working hours and the adoption of short-cut methods to save labor but the trend is still toward new high records of production.

The Corn Belt and the North Atlantic States had adequate rain and some warm weather and while little stock was on pasture in these areas on April 1 prospects for pastures were reported excellent. The Southeast had heavy rains in March, and for the country as a whole the condition of pastures on April 1 was the highest for the date since 1929.

In the western half of the Corn Belt the generous March rainfall which was favorable for pastures and late planted crops, delayed the planting of spring grain, but the weather of early April appears to have been favorable. Winter wheat, which had an excellent start last fall, still shows good prospects and production is expected to be about 625 million bushels which would be about 10% more than average. The yield per acre planted is expected to average 16.1 bushels, a yield which has been exceeded only in 1931 and 1914. Prospects for rye continue excellent.

While national crop prospects appear better than usual, there are important regional variations. On April 1 a large area in Texas, including most of the State except the Panhandle and some northern and eastern counties, was seriously in need of moisture for growing crops and for replanting oats and other crops that seemed likely to fail; but much of the dry area had rain in early April. Practically the whole area from the Rockies westward had a dry and cool March which delayed the growth of new grass in pastures and ranges, lengthened the feeding period and caused some local shortages of hay and feed. With the exception of Utah and Nevada, the April 1 condition of ranges in this area was below average and mostly well below last year; but most of this area had good rains early in the winter and ranges should show improvement with warmer weather. In grazing areas east of the Rockies and north of the dry portions of Texas the April 1 condition of ranges averaged higher than at the same season in any of the past 10 years.

Though some fruit buds were damaged by low temperatures during the winter and early spring months, notably, in California and the Rocky Mountain Section, and in an area from southern Michigan southwest through Illinois and Indiana to northern Arkansas, conditions to date seem to point to a total 1942 fruit crop of at least average size. Apples are not yet in bloom in the principal producing areas but trees appear to have come through the winter in good shape. Good-sized peach crops are indicated in all southern States and in California, but production probably will be short in many commercial areas of the central States. Pear prospects on the Pacific Coast and in other areas, though still somewhat uncertain, indicate a crop equal to, or larger than last season. Cherry and grape prospects appear favorable. March frosts damaged California apricots in some areas, and some injury to plums and prunes may ultimately show up; but at present, damage to these stone fruits does not appear to be extensive. Large supplies of early summer oranges and grapefruit and adequate supplies of summer lemons will be harvested; and conditions in citrus areas, to date, have for the most part, been favorable for new-crop (1942-43) bloom.

Present indications are that the acreage of vegetables grown for shipment will be about 6% over the acreage harvested last year and perhaps slightly over the average during the last half dozen years. Reports indicate some shifting towards crops that were high in price last season, particularly cabbage and onions with some decreases in early potatoes and watermelons. Supplies of vegetables ordinarily available during late April and early May are expected to be ample, probably a third larger than average production in the same areas, but harvesting may be delayed because of the cold, wet weather. Heaviest increases in April and early May shipments are expected in early onions, lettuce, green peas, snap beans, and spinach. There may be a decrease in spring celery but the slight decrease indicated for spring cabbage in areas about to ship is expected to be more than offset by shipments continuing to come from the large crop farther south.

Winter Wheat

The April 1 indicated production of winter wheat is 624,983,000 bushels, compared with the 1941 crop of 671,293,000 bushels, and the 10-year (1930-39) average production of 569,417,000 bushels.

This indicated production is 7% less than last year's comparatively large crop, but it would be about 10% above average. Prospects on April 1 are equal to or a little better than reported last December in all winter wheat producing areas, excepting an area in North Central Texas and the adjoining portion of Oklahoma where there is some moisture shortage and insect damage from serious green bug infestation. The present production estimate takes into consideration a downward adjustment of 571,000 acres in the acreage seeded in Illinois, Iowa, and Missouri, where prolonged rains last fall prevented seeding the intended acreage but does not allow for additional acreage of "volunteer" wheat which may be harvested as the result of the recent rulings of the AAA. The extent of such acreage will not be known until near harvest time. The adjusted acreage sown in the fall of 1941 is 38,747,000 acres for the United States, and for the States in which adjustments were made, Illinois 1,216,000 acres, Iowa 200,000 acres, and Missouri 1,002,000 acres.

Winter wheat is starting spring growth under predominantly favorable moisture conditions, with reports of ample subsoil moisture in the Great Plains and Western States where it is a decisive factor. Surface soil was beginning to become too dry near the end of March in some of that area, but recent rains have relieved the situation in most sections. Outside of the Central Plains area, reports are general of the backwardness of the spring, causing slow start and shortness of growth of wheat in most areas.

Winter damage has been unusually light, and the loss of acreage due to winter killing and diversion is now indicated at only 6.4%. This compares with abandonment of 13.4% in 1941, and the 10-year average of 19.2%. There have been only four other years of lower abandonment during the years since 1919. There was sufficient snow cover during the periods of lowest temperatures during January, and there is little evidence of top freezing or heaving.

The indicated yield per seeded acre of 16.1 bushels is 1.4 bushels more than last year's yield of 14.7 bushels and substantially above the 10-year average of 11.8 bushels per seeded acre. Yields higher than last year are indicated for the three important Great Plains States, Nebraska, Kansas, and Oklahoma, but they are below last year in all of the important wheat States farther west, and in most of the States east of the Mississippi River.

Wheat Stocks

The April 1 farm stocks of wheat, estimated at 270,122,000 bushels, are 40% larger than the stocks of 193,244,000 bushels on the same date last year, and are the highest April 1 farm stocks on record. Heavy stocks are in evidence in all principal wheat producing areas, reflecting the large 1941 production in most States, in contrast with the situation April 1 last year when farm stocks were relatively larger in the spring wheat and central Great Plains States than elsewhere.

Farm stocks on April 1 were 28.6% as large as the 1941 production, compared with percentage stocks a year ago of 23.8% and the 10-year average of 17.4%. The January-April disappearance of wheat from farms was 103,698,000 bushels, compared with 87,596,000 bushels in the same period a year ago, and the 10-year average January-April disappearance of 88,450,000 bushels. The estimates of wheat stocks on farms include wheat stored on farms under Government loans.

Corn Stocks

Stocks of corn on farms on April 1, 1942, were 1,286,720,000 bushels. This is about 55% above the 10-year (1930-39) April 1 average of 828,331,000 bushels and is the largest for this date on record, slightly exceeding the previous record of 1,273,015,000 bushels on farms April 1, 1940. For the corresponding date last year corn stocks amounted to 1,199,139,000 bushels. Disappearance of corn **from farms** during the first three months of 1942 was the heaviest on record, amounting to 725 million bushels. This compares with a disappearance during the same months in 1941 of 638 million bushels and the 10-year (1930-39) average of 568 million bushels. The previous record was in 1928 when disappearance for the first quarter amounted to 721 million bushels.

These estimates of corn stocks relate to total stocks on farms including carryover from previous years and corn under seal on Government loans. The amount of corn under seal on farms in the commercial corn area, which is comprised of most of the North Central States and some counties in adjoining States, was approximately 262 million bushels on April 1. There were 299 million bushels under seal on the same date last year and 451 million bushels on April 1, 1940.

April 1, 1942, farm stocks amounted to 53.0% of the 1941 production of corn for grain compared with 54.3% on April 1, 1941, and 40.9%, the 10-year (1930-39) April 1 average.

Farm stocks of corn in the Corn Belt were 10% above those in 1941 and 70% above average. These near record stocks on farms remain despite the second heaviest disappearance of corn on record for the area. Stocks in Iowa, Missouri, Michigan, and Wisconsin were smaller than last year, but stocks in Illinois, Indiana, Ohio, and Minnesota were much larger. Stocks were the highest since 1934 in Nebraska and Kansas and the largest on record in North Dakota. Demand for corn for increased livestock production and industrial use is reflected in a total disappearance from farms between Jan. 1 and April 1 for the Corn Belt of 523 million bushels compared with 444 million bushels last year and 388 million bushels for the 10-year (1930-39) average.

There was some tendency to build up stocks in the North Atlantic States where corn stocks were about 5% above last year and 10% above average. For the South Atlantic States, corn supplies on farms April 1 were 7% smaller than last year but 11% above average. Stocks in the South Central States were 4% below last year but 18% above average. While the South Atlantic and South Central States as a whole had less corn on farms than in April 1 last year, stocks in Kentucky, Tennessee, Alabama, Mississippi and North Carolina were higher, due mostly to larger corn crops in 1941 than in 1940. In Texas and Oklahoma, both April 1 stocks and first quarter disappearances were smaller than last year and below average. Near-record stocks were held in the Western States where the April 1 amount was 46% above last year and 47% above average. Stocks in Colorado were 65% above last year and disappearance during the first quarter was over two and one-half times larger than for the same period in 1941.

Oat Stocks

Stocks of oats on farms on April 1, 1942, were 430,565,000 bushels, which is about 41 million bushels, or 9% less than the 471,145,000 bushels held on April 1 last year. These stocks are 57 million bushels, or 15% above the 10-year (1930-39) average farm stocks of 373,240,000 bushels. In most of the Central States the percentage of last year's oats crop now on farms is higher than average, but in other areas most of the States show smaller than average percentages still held. Disappearances of oats on farms since January is indicated at 318,852,000 bushels which is about five million bushels smaller than the disappearance during the same quarter last year, but 66 million bushels larger than the 10-year average disappearance during the Jan. 1-April 1 quarter.

Rye

Condition of rye on April 1 was 87% of normal compared with 81% a year ago, and 76%, the 10-year (1930-39) average. This crop had an excellent start last fall and in all producing areas weather conditions to date have been favorable for its development. Reports as of April 1 from all States growing rye indicate that the crop is coming into the spring months with promising prospects, the reported condition for every State except New Jersey being above the 10-year average. A year ago a similar situation existed in all States, except in Iowa, Illinois, and Missouri of the Plains States and in

Kentucky, West Virginia, Virginia, Maryland, Delaware, and New Jersey. Last year the crop in these States suffered injury because of unfavorable freezing winter weather, while for 1942 it has had excellent growing conditions.

WINTER WHEAT

State—	Acreage Seeded—Fall of 1929-38	Fall of 1940	Fall of 1941	Yield per Seeded Acre—Avge. 1930-39	1941	Indic. April 1, 1942	Production—Avge. 1930-39	1941	Indic. April 1, 1942
	—Thousand Acres—			—Bushels—			—Thousand Bushels—		
New York	264	301	280	21.0	21.8	23.0	5,572	6,570	6,440
New Jersey	61	72	69	20.5	16.8	19.0	1,232	1,210	1,311
Pennsylvania	997	883	795	19.2	18.9	20.0	19,229	16,712	15,900
Ohio	2,114	2,018	1,776	19.4	24.3	21.0	40,718	48,950	37,296
Indiana	1,809	1,483	1,275	16.8	23.3	18.0	30,321	34,545	22,950
Illinois	2,121	1,838	*1,216	17.2	19.2	16.0	36,413	35,300	19,456
Michigan	831	753	685	20.3	21.7	22.5	16,651	16,368	15,412
Wisconsin	40	39	37	15.7	17.1	17.0	628	665	629
Minnesota	199	203	190	16.1	12.2	18.0	3,146	2,548	3,420
Iowa	424	330	*200	16.4	7.5	20.0	6,944	2,475	4,000
Missouri	2,010	1,856	*1,002	13.6	9.7	11.0	26,989	18,036	11,022
South Dakota	229	214	199	7.0	7.7	14.0	1,365	1,650	2,786
Nebraska	3,611	3,368	2,930	11.2	10.2	17.0	41,151	34,426	49,810
Kansas	14,196	13,064	10,712	9.2	13.2	15.5	131,460	173,092	166,036
Delaware	88	68	61	16.9	19.6	18.5	1,496	1,332	1,128
Maryland	445	367	323	18.6	19.7	18.5	8,342	7,245	5,976
Virginia	616	560	498	14.0	13.7	14.0	8,643	7,665	6,972
West Virginia	149	130	120	14.5	12.5	13.0	2,154	1,628	1,560
N. Carolina	457	506	531	10.6	14.1	13.5	4,807	7,110	7,168
S. Carolina	144	253	293	9.5	12.4	12.0	1,364	3,146	3,516
Georgia	154	210	248	8.5	10.5	10.5	1,270	2,196	2,604
Kentucky	433	441	432	12.8	16.2	16.0	5,520	7,125	6,912
Tennessee	411	387	375	10.8	14.0	13.5	4,403	5,415	5,062
Alabama	6	8	10	9.6	11.4	11.0	58	91	110
Arkansas	72	35	36	7.8	9.0	9.0	557	315	324
Oklahoma	4,868	5,030	4,276	9.8	9.7	13.0	47,682	48,610	55,588
Texas	4,714	3,917	3,604	6.8	6.9	10.5	31,360	27,186	37,842
Montana	966	1,380	1,311	11.1	20.1	20.0	10,790	27,762	26,220
Idaho	699	678	590	18.6	25.9	25.0	13,083	17,584	14,750
Wyoming	212	160	160	6.2	19.8	15.0	1,307	3,160	2,400
Colorado	1,294	1,321	1,162	6.4	16.4	16.0	8,745	21,650	18,592
New Mexico	389	335	302	6.1	7.2	14.0	2,478	2,416	4,228
Arizona	40	32	28	22.2	12.2	19.0	880	392	532
Utah	198	206	175	15.0	23.5	21.0	2,987	4,851	3,675
Nevada	3	5	4	25.7	28.0	29.0	68	140	116
Washington	1,251	1,661	1,512	19.7	30.1	26.0	24,568	49,941	39,312
Oregon	763	688	619	16.4	29.3	22.0	12,431	20,130	13,618
California	779	857	711	16.0	13.6	14.5	12,605	11,656	10,310
United States	48,057	45,663	38,747	11.8	14.7	16.1	569,417	671,293	624,983

*Revised from Dec. 19, 1941, report.

February Hotel Sales Advance

Horwath & Horwath, New York public accountants, in their monthly bulletin on the trend of business in hotels, state that the February comparisons with last year are not so good in any respect as those in January. The average increase in total sales was only 3% against 9% last month; room sales were up 3% compared with 8%; total restaurant sales, only 2% against 10%; food sales, 2% against 8%; and the gain in beverage business dropped to only 3% from 15% in January. Occupancy at 70% is 1 point above that the same month of 1941 but 1 point below that in the preceding month. The average increase in room rates was 2% compared with 5% in January.

The bulletin further reports:

> Washington, in contrast to most of the other cities, had considerably larger gains than in January; its total sales were up 29% this February over last, the largest percentage of increase being in beverage sales—39%—which is contrary to the experience of all the other groups and localities.
>
> The next best showing was for Philadelphia with good gains in all points, especially rooms, which sales were up 19% through rises of 7 points in occupancy and 7% in rates.
>
> The Pacific Coast made a poor comparison with last year. The total sales were down 6%, the sharpest decrease being in rooms, 15%, whereas all the other places had increases in that department, most of them larger than in January. The average room rate for that section dropped 10% from last year.
>
> The only other decline in total sales was in Texas, but it was only 1%, and entirely in the restaurant as room sales were up slightly; the occupancy at 77% was 2 points above last year, but rates were down 2%.

FEBRUARY, 1942, COMPARED WITH FEBRUARY, 1941

	Sales, Increase or Decrease—*Total	Rooms	Total Restaurant	Food	Beverages	Occupancy—Feb., 1942	Feb., 1941	†Room Rate Increase or Decr.
New York City	+ 3%	+ 3%	+ 3%	+ 2%	+ 3%	71%	69%	+ 1%
Chicago	+ 8	+12	+ 3	+ 3	+ 2	71	68	+ 7
Philadelphia	+13	+19	+ 8	+ 7	+10	60	53	+ 7
Washington	+29	+30	+28	+25	+39	84	75	+12
Cleveland	+ 9	+11	+ 7	+ 8	+ 5	76	74	+ 8
Detroit	+ 5	+16	— 7	— 8	— 5	72	67	+10
Pacific Coast	— 6	—15	0	— 4	+ 5	65	70	—10
Texas	— 1	+ 1	— 5	— 4	— 8	77	75	— 2
All Others	+ 4	+ 5	+ 2	+ 3	+ 2	69	68	+ 4
Total	+ 3%	+ 3%	+ 2%	+ 2%	+ 3%	70%	69%	+ 2%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Bank Debits Up 8% From Last Year

Banks debits as reported by banks in leading centers for the week ended April 8 aggregated $9,507,000,000. Total debits during the 13 weeks ended April 8 amounted to $140,463,000,000, or 14% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 5% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 19%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

[In millions of dollars]

Federal Reserve District—	Week Ended April 8, 1942	April 9, 1941	13 Weeks Ended April 8, 1942	April 9, 1941
Boston	618	537	8,304	6,967
New York	3,501	3,546	54,003	50,936
Philadelphia	512	483	7,555	6,581
Cleveland	697	620	10,218	8,629
Richmond	416	357	5,789	4,810
Atlanta	347	302	4,925	4,049
Chicago	1,488	1,335	21,864	18,873
St. Louis	327	277	4,621	3,740
Minneapolis	180	158	2,592	2,051
Kansas City	310	274	4,506	3,643
Dallas	255	224	3,828	3,088
San Francisco	855	697	12,259	10,129
Total, 274 reporting centers	9,507	8,811	140,463	123,496
New York City*	3,143	3,243	48,840	46,516
140 other centers*	5,455	4,794	79,023	66,710
133 other reporting centers	908	773	12,600	10,269

*Included in the national series covering 141 centers, available beginning with 1919.

Cottonseed Receipts Small

On April 13 the Bureau of the Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the eight months ended with March, 1942 and 1941:

Cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, and on hand for eight months, ended March 31, 1942 and 1941.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

	Received at mills* Aug. 1 to Mar. 31—1942	1941	Crushed Aug. 1 to Mar. 31—1942	1941	On hand at mills Mar. 31—1942	1941
United States	3,862,795	4,289,200	3,490,272	3,710,416	503,052	617,626
Alabama	215,932	199,358	191,250	178,090	35,855	21,850
Arizona	77,714	79,805	70,495	77,349	7,436	2,464
Arkansas	471,556	525,692	410,087	406,354	86,399	124,893
California	159,179	199,605	141,025	137,343	24,649	65,331
Georgia	253,514	366,187	226,629	307,569	45,801	59,750
Louisiana	84,059	124,272	83,314	119,772	1,271	4,754
Mississippi	553,196	477,906	485,705	378,611	71,517	105,809
North Carolina	211,314	264,424	197,022	243,979	24,023	24,055
Oklahoma	238,382	235,460	227,283	235,241	11,631	727
South Carolina	114,765	244,557	109,400	226,392	8,373	18,681
Tennessee	393,485	393,172	339,031	300,691	75,122	93,607
Texas	950,196	1,059,789	882,897	992,848	94,493	82,688
All other States	139,503	118,973	126,134	106,177	16,477	13,017

*Does not include 130,529 and 39,507 tons on hand Aug. 1, nor 49,737 and 40,664 tons reshipped for 1942 and 1941, respectively. Does include 665 tons destroyed for 1941.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand August 1	Produced Aug. 1 to Mar. 31	Shipped out Aug. 1 to Mar. 31	On hand Mar. 31
Crude oil	1941-42	*29,708	1,081,587	1,059,871	*137,975
(thousand pounds)	1940-41	37,352	1,188,446	1,132,183	167,475
Refined oil	1941-42	†294,005	‡896,009	------	†389,010
(thousand pounds)	1940-41	493,658	990,834	------	505,997
Cake and meal	1941-42	164,444	1,523,469	1,349,202	338,711
(tons)	1940-41	79,501	1,647,042	1,481,146	245,397
Hulls	1941-42	151,439	868,471	859,089	160,821
(tons)	1940-41	20,914	935,010	758,059	197,865
Linters	1941-42	123,154	1,027,011	1,025,012	125,153
(running bales)	1940-41	129,340	1,002,743	874,505	257,578
Hull fiber	1941-42	1,834	23,215	23,874	1,175
(500-lb. bales)	1940-41	1,215	27,823	27,351	1,687
Grabbots, motes, &c.	1941-42	6,183	46,887	26,915	26,155
(500-lb. bales)	1940-41	12,449	39,948	37,772	14,625

*Includes 13,192,000 and 95,934,000 pounds held by refining and manufacturing establishments and 7,859,000 and 11,668,000 pounds in transit to refiners and consumers, Aug. 1, 1941, and March 31, 1942, respectively.

†Includes 7,268,000 and 3,442,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,903,000 and 5,372,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc., Aug. 1, 1941, and March 31, 1942, respectively.

‡Produced from 957,674,000 pounds of crude oil.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

Bankers Dollar Acceptances Outstanding On March 31 Decline To $182,675,000

The volume of bankers dollar acceptances outstanding decreased $7,335,000 during March to $182,675,000 on March 31, according to the monthly report of the Acceptance Analysis Unit of the Federal Reserve Bank of New York, issued April 13. This compares with a total of $190,010,000 outstanding on Feb. 28 and with $217,312,000 on March 31, 1941.

The decline in the month-to-month analysis is attributed to losses in credits for imports, exports, domestic warehouse credits and dollar exchange, while in the year-to-year comparison only credits for domestic shipments were higher.

The Reserve Bank's report for March 31 follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Mar. 31, 1942	Feb. 28, 1942	Mar. 31, 1941
1 Boston	$31,301,000	$31,687,000	$28,486,000
2 New York	113,135,000	118,528,000	147,002,000
3 Philadelphia	9,844,000	9,419,000	11,761,000
4 Cleveland	3,943,000	4,233,000	3,455,000
5 Richmond	919,000	1,655,000	1,310,000
6 Atlanta	2,998,000	3,356,000	2,396,000
7 Chicago	5,270,000	5,264,000	4,380,000
8 St. Louis	884,000	750,000	444,000
9 Minneapolis	228,000	133,000	613,000
10 Kansas City	--------	--------	--------
11 Dallas	3,101,000	3,587,000	171,000
12 San Francisco	11,052,000	11,398,000	17,294,000
Grand Total	$182,675,000	$190,010,000	$217,312,000

Decrease for month, $7,335,000. Decrease for year, $34,637,000.

ACCORDING TO NATURE OF CREDIT

	Mar. 31, 1942	Feb. 28, 1942	Mar. 31, 1941
Imports	$103,352,000	$112,448,000	$120,229,000
Exports	17,356,000	18,453,000	23,993,000
Domestic shipments	15,388,000	13,744,000	10,191,000
Domestic warehouse credits	29,116,000	30,496,000	30,486,000
Dollar exchange	1,764,000	2,323,000	7,680,000
Based on goods stored in or shipped between foreign countries	15,699,000	12,546,000	24,733,000

BILLS HELD BY ACCEPTING BANKS

Own bills $89,190,000 Bills of others $56,791,000 Total $145,981,000

Increase for month, $1,499,000

CURRENT MARKET RATES ON PRIME BANKERS' ACCEPTANCES, APRIL 13, 1942

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	½	7/16
60	½	7/16
90	½	7/16
120	9/16	½
150	⅝	9/16
180	⅝	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since April 29, 1939:

1939—		1940—		1941—	
Apr. 29	$237,831,575	Apr. 30	$223,305,000	Apr. 30	$219.561.000
May 31	246,574,727	May 31	213,685,000	May 31	215,005,000
June 30	244,530,440	June 29	206,149,000	June 30	212,932,000
July 31	236,010,050	July 31	188,350,000	July 31	209,899,000
Aug. 31	235,034,177	Aug. 31	181,813,000	Aug. 30	197,472,000
Sept. 30	215,881,724	Sept. 30	176,614,000	Sept. 30	176,801,000
Oct. 31	221,115,945	Oct 31	186,789,000	Oct. 31	184.806.000
Nov. 30	222,599,000	Nov. 30	196,683,000	Nov. 29	193.590.000
Dec. 30	232,644,000	Dec. 31	208,659,000	Dec. 31	194,220,000
1940—		1941—		1942—	
Jan. 31	229,230,000	Jan. 31	212,777,000	Jan. 31	197,278,000
Feb. 29	233,015,000	Feb. 28	211,865,000	Feb. 28	190 010.000
Mar. 30	225,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000

President Reiterates Need Of Four Freedoms

In a message of congratulations to the Knights of Columbus on their 60th anniversary, President Roosevelt reiterated the desire of the United States to guarantee to all mankind the four freedoms—speech, worship, want and fear.

In his message the President said:

> In extending my hearty congratulations on the attainment of the threescore mark I desire to reiterate to the Knights of Columbus the lesson which the present cataclysm has taught us, which is that freedom of person and security of property anywhere in the world depend upon the security of the rights and obligations of liberty and justice everywhere in the world.
>
> This significant anniversary affords an excellent opportunity to call to mind the constructive service which the Knights of Columbus have rendered in the cause of religion and in the fields of education and social welfare in support of those freedoms upon which our nation was established.
>
> All that your order has achieved during the past six decades has been possible because every national under the American flag enjoys freedom of conscience and of education and the right of assembly.
>
> To guarantee those blessings to all the world this country has become an arsenal of democracy which we hope under God will guarantee to all mankind not only freedom of speech, freedom to worship God each in his own way, but freedom from want and freedom from fear as well.
>
> That is the kind of world we are fighting to attain. In national unity we shall find the strength to make it a reality to all mankind.

Lend-Lease Food Shipped

Farm products costing $469,000,000 were delivered to representatives of the United Nations for lend-lease shipment up to March 1, 1942, the Department of Agriculture said on April 9. Total volume of these commodities bought by the Agricultural Marketing Administration and delivered at shipping points since operations started in April, 1941, was about 4,064,000,000 pounds. The further announcement of the Department said:

> During February agricultural commodities costing $52,000,000 and weighing 309,000,000 pounds were delivered for shipment. This month saw an increase in deliveries of such products as dried eggs and meat products, concentrated foods of high value, and a decrease in deliveries of grain and cereals, bulky foods of relatively low cost per pound. Thus the average cost per pound of all commodities delivered for shipment during February was 16.5¢ as compared with 11.3¢ per pound for commodities delivered in January.
>
> Outstanding among commodity groups delivered, with cumulative values up to March 1, were: dairy products and eggs, $154.000.000; meat, fish and fowl, $120,000.000; lard, fats and oils, $33,000,000; and fruits vegetables and nuts, $47,000,000. Other deliveries included grain and cereal products, concentrated fruit juices, vitamin concentrates, miscellaneous foodstuffs, and non-food agricultural commodities including cotton, tobacco, and naval stores. A large proportion of the non-food supplies were made available for Lend-Lease operations by the Commodity Credit Corporation.

List Consumer Goods Prohibited By WPB

Incident to the needs of war production, Chief Nelson announced on April 7 WPB orders providing for the virtual cessation of consumers' durable goods industries using critical metals within three months, in order to convert their facilities for war production; brief reference to his announcement appeared in our April 9 issue, page 1440. He stated therein that "some production is still being carried on, but within 3 months almost all of it will be stopped except for that production necessary for war and essential civilian purposes." "Automobiles, washing machines, refrigerators, radios, lawn mowers, oil burners, and metal furniture," said Mr. Nelson, "are only a few of the many items which can no longer be produced with critical metals after critical dates provided in the various orders." He also pointed out that "the most important field of curtailment for war is, of course, the great metal working industry." The two major orders,—"a stop construction order, and a steel conservation order," said Mr. Nelson, "make possible the complete conversion of the men, materials and machine tools formerly devoted to these pursuits to war production."

The following is a list of products (as made public by the WPB on April 7) whose manufacture has been ordered prohibited by the Board and of products in which critical materials may not be used after the indicated dates. The Board states:

> In parentheses after products in the latter group are the materials which may not be used in their manufacture. Thus, curtain rods may be produced after June 30, but no metal may be used in their manufacture; while no electric toasters at all may be manufactured after May 31.

Product	Order No.	Prohibition Date
Amusement machines	L-21	4-30-42
Ash trays and smoking stands (metal)	L-13 & 62	5-31-42
Awning frames and supports (metal)	L-62	5-31-42
Billboards, metal signs	L-29	6-30-42
Burial vaults, morticians' goods (metal, except gold and silver)	L-64	6-30-42
Caskets (metal, except gold and silver)	L-64	6-30-42
Chairs, except shipboard use (metal)	L-13 & 62	5-31-42
Clothes racks (metal)	L-62	5-31-42
Clothes trees (metal)	L-62	5-31-42
Coat hangers, except wire hook for wood hanger (metal)	L-30	6-30-42
Curtain rods (metal)	L-30	6-30-42
Doors, except as required by underwriters' code (metal)	L-13	5-31-42
Door mats (metal)	L-62	5-31-42
Electric grills	L-62	5-31-42
Electric ironers	L-6-b	4-15 & 5-15-42
Electric irons	L-65	5-31-42
Electric roasters	L-65	5-31-42
Electric toasters	L-65	5-31-42
Electric waffle irons	L-65	5-31-42
Electric massagers & vibrators, except medical, profession use	L-65	5-31-42
Flashlight cases (No iron & steel except essential uses)	L-71	5-31-42
Flexible steel mats and rugs (metal)	L-62	5-31-42
Furniture, except for shipboard (metal)	L-29 & 13	5-31-42
Gaming machines	L-21	1-31-42
Hand mirrors (metal)	L-62	5-31-42
Hat racks (metal)	L-62	5-31-42
Juke boxes	L-21	4-30-42
Kitchen cabinets (home) (metal)	L-62	5-31-42
Lockers (metal)	L-13	5-31-42
Necktie racks (metal)	L-30	6-30-42
Ornamental steel jackets on heaters, water, gas, etc.	L-42	6- 1-42
Outboard motors, except A-1-k or higher	L-80	3-27-42
Partitions (metal)	L-13	5-31-42
Picture frames (metal)	L-62	5-31-42
Plant and flower supports (metal)	L-62	5-31-42
Portable washing machines	L-6-b	4-15 & 5-15-42
Pressing irons—boudoir & traveling	L-65	5-31-42
Radiator covers (metal)	L-62	5-31-42
Record makers and players	L-44	4-23-42
Road and street signs and posts (metal)	L-29	6-30-42
Safes and vaults, except A-2 or higher	L-13	5-31-42
Shoe trees (metal)	L-30	6-30-42
Signs (metal)	L-29	6-30-42
Smoking stands—smokadors (metal)	L-62	5-31-42
Soap receptacles (metal)	L-30	6-30-42
Soft drink dispensers	L-38 & 27	4-30-42
Sun lamps, except for medical profession only	L-65	5-31-42
Swivel chairs (metal)	L-13	5-31-42
Table tops for household use (metal)	L-62	5-31-42
Toilet paper holders (metal)	L-30	6-30-42
Tooth brush holders (metal)	L-30	6-30-42
Toys—all types involving specified scarce materials	L-81	6-30-42
Vacuum cleaners—household	L-18	4-30-42
Venetian blinds (metal)	L-62	5-31-42
Vegetable bins (metal)	L-30	6-30-42
Vending machines	L-27	4-30-42
Wastebaskets (metal)	L-13	5-31-42
Weighing machines, coin operated	L-21	4-30-42
Window display advertising, signs only (metal)	L-29	6-30-42
Windows (metal)	L-80	3-28-42
Wire racks and baskets, except industrial (metal)	L-62 & L-13-b	5-31-42
Washing machines, household laundries	L-6-b	4-15 & 5-15-42
Phonographs	L-42	6- 1-42
Metal cabinets, except enameled filing cabinets, visible record equipment, cases and bases	L-13-b	5-31-42
Clothes hampers (metal)	L-62	5-31-42
Dry shavers	L-65	5-31-42
Electric dryers, hand and face	L-65	5-31-42
Electric broilers	L-65	5-31-42
Electric percolators	L-65	5-31-42
Food warmers	L-65	5-31-42
Mixers, whippers and juicers	L-65	5-31-42
Shoe racks (metal)	L-30	6-30-42
Radiators, large tubing	L-42	6-1-42
Refrigerators	L-5	4-30-42
Radio receivers	L-44-a	4-23-42
Automobiles	(Various orders and dates)	

Further Advance In Labor Bureau's Wholesale Price Index In April 4 Week

The Bureau of Labor Statistics, U. S. Department of Labor, announced on April 9 that commodity prices in primary markets were generally higher during the week ended April 4. Led by increases of over 1% for foods and textile products, the Bureau's comprehensive index of nearly 900 price series rise to 0.5% to a new 13-year peak. The advance brought the all-commodity index to 97.9% of the 1926 level, 1% above the corresponding week of March and 19% higher than a year ago at this time.

The Labor Bureau's announcement further said:

> In addition to increases of 1.4% for foods and 1.1% for textile products, farm products rose 0.8%; hides and leather products, 0.4%; fuel and lighting materials, 0.3%; housefurnishing goods, 0.2%; and metals and metal products, 0.1%. Building materials and miscellaneous commodities declined 0.1% while average prices for chemicals and allied products were steady.

Sharp increases in prices for fruits and vegetables, particularly oranges, bananas, sweet potatoes and onions, together with higher prices for beef, pork, butter, eggs, rice and glucose brought average prices for foods to the highest point since early in 1930. Quotations for flour, lemons and dressed poultry were lower.

Average prices of farm products in primary markets reached the highest level since September, 1929, with marked increases reported in prices for most fruits and vegetables, for grains, except barley, and for cotton, wool, and livestock. In the past month farm product prices have risen 2.7% and are more than 43% higher than last year at this time. Cattle feed prices dropped 2.3% during the week.

Quotations for men's clothing continued to rise and prices for cotton goods also moved upward following the increase in prices for spot cotton. Prices for woolen yarns advanced under the amended price ceiling by the Office of Price Administration effective March 28 and prices for rope and twine also averaged higher than a week ago. Higher prices were reported for shearlings.

An increase of 25¢ a barrel was permitted for Pennsylvania crude oil in order to stimulate production because of its lubricatink qualities. Prices for Oklahoma gasoline reacted following the recent decline due to heavy stocks.

Average wholesale prices for building materials declined fractionally as a result of lower quotations for gum and oak lumber, red cedar shingles and for rosin and turpentine. Higher prices were reported for maple flooring, for certain types of Western pine lumber and for linseed oil, chrome colors and for gravel, sand and lime.

Wholesale prices for housefurnishing goods such as pillow cases, sheets and window shades advanced during the week and quotations were also higher for soap.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for March 7, 1942 and April 5, 1941 and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from March 28 to April 4, 1942.

(1926=100)

						Percentage changes to April 4, 1942 from		
Commodity Groups—	4-4 1942	3-28 1942	3-21 1942	3-7 1942	4-5 1941	3-28 1942	3-7 1942	4-5 1941
All Commodities	97.9	97.4	97.2	96.9	82.5	+0.5	+1.0	+19.1
Farm products	104.2	103.4	103.1	101.5	72.7	+0.8	+2.7	+43.3
Foods	97.2	95.9	95.5	95.8	76.7	+1.4	+1.5	+26.7
Hides and leather products	118.1	117.6	116.6	116.4	103.9	+0.4	+1.5	+13.7
Textile products	97.0	95.9	95.9	95.1	80.1	+1.1	+2.0	+21.1
Fuel and lighting materials	78.3	78.1	78.2	78.5	73.2	+0.3	—0.3	+ 7.0
Metals and metal products	103.8	103.7	103.7	103.7	97.8	+0.1	+0.1	+ 6.1
Building materials	110.5	110.6	110.4	109.9	99.8	—0.1	+0.5	+10.7
Chemicals and allied products	97.1	97.1	97.1	97.1	80.9	0	0	+20.0
Housefurnishing goods	104.3	104.1	104.1	104.1	91.5	+0.2	+0.2	+14.0
Miscellaneous commodities	89.6	89.7	89.7	89.2	78.0	—0.1	+0.4	+14.9
Raw materials	99.4	98.3	97.6	97.1	76.2	+1.1	+2.4	+30.4
Semimanufactured articles	92.8	92.2	92.2	92.0	84.6	+0.7	+0.9	+ 9.7
Manufactured products	98.2	97.9	97.9	97.7	85.1	+0.3	+0.5	+15.4
All commodities other than farm products	96.6	96.1	95.9	95.9	84.4	+0.5	+0.7	+14.5
All commodities other than farm products and foods	95.6	95.3	95.3	95.1	85.8	+0.3	+0.5	+11.4

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 28, 1942 TO APRIL 4, 1942

Increases

Fruits and vegetables	5.8	Furnishings	0.4
Hides and skins	2.3	Other textile products	0.3
Woolen and worsted goods	2.0	Other foods	0.2
Cotton goods	1.3	Drugs and pharmaceuticals	0.2
Other farm products	1.3	Bituminous coal	0.1
Meats	1.2	Anthracite	0.1
Clothing	1.1	Iron and steel	0.1
Livestock and poultry	1.0	Cement	0.1
Dairy products	0.8	Other building materials	0.1
Petroleum products	0.7		

Decreases

Cattle feed	2.3	Paint and paint materials	0.1
Plumbing and heating	1.2	Cereal products	0.1
Lumber	0.2		

Engineering Construction Up 130% In Week

Engineered construction volume for the week totals $246,344,000, the third highest of the year. It tops last week by 130%, and is 77% over the corresponding 1941 week as reported by "Engineering News-Record" on April 9. This is the 12th consecutive weekly total to exceed the $100,000,000-mark.

Public construction is 146% higher than a week ago, and 136% above a week ago. Private work exceeds the preceding week by 12½%, but is 66% below the 1941 week. Federal construction, the primary reason for the public gain, is 154% higher than last week, and 196% higher than last year.

The current week's volume brings 1942 construction to $2,346,568,000, a 41% increase over the corresponding 15-week period last year. Private construction, $213,700,000, is 53% below the period last year, but public work, $2,132,868,000, is 75% above a year ago as a result of the 130% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	April 10, 1941	April 2, 1942	April 9, 1942
Total construction	$139,176,000	$107,136,000	$246,344,000
Private construction	40,351,000	12,224,000	13,772,000
Public construction	98,825,000	94,912,000	232.572,000
State and municipal	27,588,000	11,878,000	22,228.000
Federal	71,237,000	83,034,000	210,344,000

In the classified construction groups, gains over a week ago are reported in bridges, public buildings, earthwork and drainage, streets and roads, and unclassified construction. Increases over the 1941 week are in waterworks, and public buildings. Subtotals for the week in each class of construction are: waterworks, $2,273,000; sewerage, $1,010,000; bridges, $1,100,000; industrial buildings, $3,106,000; commercial buildings, $7,005,000; public buildings, $173,533,000; earthwork and drainage, $3,519,000; streets and roads, $10,294,000; and unclassified construction, $44,504,000.

New capital for construction purposes for the week totals $17,772,000, a decrease of 84% from the volume reported for the 1941 week. The week's new financing is made up of $10,000,000 in corporate security issues, and $7,772,000 in State and municipal bond sales.

New construction financing for the year to date, $2,432,151,000, is up 7% compared with the $2,280,741,000 reported for the corresponding 1941 period.

Commerce Assn Oppose N. Y. Chain Store Tax

The Commerce and Industry Association of New York, Inc., on April 8 wrote to members of the New York State Legislature urging them to oppose enactment of the Bennett bill calling for payment of license fees for chain stores. The bill, which was introduced on March 18, imposes an annual license fee or tax of from $50 for each store in excess of two and not more than five, to $1,000 for each store in a chain of 25 or more. Describing retail stores as "a great boon to the consuming public," the letter, which was signed by Thomas Jefferson Miley, Secretary of the Association, said that chain stores should not be required to pay a tax unless such tax is imposed on all stores alike. In his advices to the legislators Mr. Miley also said:

"Operation of retail chain stores has demonstrated its economic desirability by reducing the cost of distribution on many commodities, particularly such essentials as food. We believe the public is entitled to receive the benefits of such economical operation of chain stores and the convenience which results from ready access to the various branches."

> "Careful study of the question of competition between independent and chain retail stores made a few years ago by the United States Department of Commerce, resulted in the definite conclusion that an efficiently conducted independent store could compete successfully with chain stores even when the latter were in the immediate vicinity of the independent establishment. The general public is entitled to have the most efficient form of retailing at its service without being obliged to reduce the benefits by the imposition of punitive discriminatory taxes, such as this bill proposes.

Progress In Eliminating Race Discrimination Cited

A letter from President Roosevelt to the Fraternal Council of Negro Churches saying that the Committee on Fair Employment Practice is "making vigorous efforts to eliminate discrimination based on race, creed, color or national origin" was made public on April 5 by the National Negro Congress in Washington.

The letter, written in reply to one from the Council, according to the Associated Press, said that the committee, appointed by a Presidential order last June, had held public hearings "which have sharply brought to the notice of war contractors their obligation to eliminate evidences of discrimination in employment."

Mr. Roosevelt also said:

> There has been considerable progress in opening training and working opportunities for Negroes in war industries. I look for an acceleration of this improvement as the demand for labor in our war industries increases and as the Committee on Fair Employment Practice develops its means for meeting specific situations.
>
> At my direction, the armed services have taken numerous steps to open opportunities for Negroes in the armed forces of our Country and they are giving active consideration to other plans which will increase that participation.

With respect to the latter matter, Secretary of the Navy Knox announced on April 7 that Negroes will soon be accepted for enlistment in "reserve components" of the Navy, Coast Guard and Marine Corps. He indicated that this new policy was agreed upon after careful study.

Market Value Of Bonds On N. Y. Stock Exchange

As of the close of business March 31, 1942, there were 1,166 bond issues aggregating $60,578,981,933 par value listed on the New York Stock Exchange with a total market value of $58,140,382,211, the Stock Exchange announced on April 8. This compares with 1,165 bond issues aggregating $60,532,171,333 par value listed on the Exchange on Feb. 28 with a total market value of $57,584,410,504.

In the following tables listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	Mar. 31, 1942 Market Value $	Mar. 31, 1942 Average Price $	Feb. 28, 1942 Market Value $	Feb. 28, 1942 Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	42,923,656,980	106.21	42,545,638,046	105.25
U. S. companies:				
Amusements	34,957,700	100.00	34,313,792	98.65
Automobile	13,539,969	103.77	13,871,297	103.15
Building	17,070,913	92.16	17,245,593	91.09
Business and office equipment	14,250,000	95.00	14,981,250	99.88
Chemical	74,778,000	98.20	76,597,500	99.61
Electrical equipment	36,362,500	103.89	36,237,500	103.54
Financial	58,447,265	99.59	58,730,665	100.01
Food	208,078,687	104.37	207,816,233	103.98
Land and realty	9,346,214	68.05	9,327,328	67.91
Machinery and metals	45,151,559	98.63	45,805,048	98.57
Mining (excluding iron)	92,106,938	57.52	91,240,802	56.90
Paper and publishing	56,943,303	100.18	57,644,899	100.67
Petroleum	598,723,403	102.56	591,839,671	108.47
Railroad	6,617,350,832	63.96	6,566,720,879	63.39
Retail merchandising	12,078,295	78.61	11,851,705	77.13
Rubber	70,795,303	96.35	69,571,920	94.68
Ship building and operating	10,898,400	95.00	11,242,560	98.00
Shipping services	17,365,882	62.67	17,228,540	62.18
Steel, iron and coke	553,495,730	100.26	551,880,989	100.29
Textiles	25,758,058	97.03	25,856,003	97.40
Tobacco	39,881,782	118.44	39,918,797	118.55
Utilities:				
Gas and electric (operating)	3,263,723,142	106.21	3,185,777,560	106.39
Gas and electric (holding)	102,768,195	97.43	108,495,546	102.86
Communications	1,194,599,945	106.54	1,191,161,776	106.24
Miscellaneous utilities	81,363,663	55.11	82,194,475	55.67
U. S. companies oper. abroad	103,101,343	56.71	98,483,591	54.16
Miscellaneous businesses	31,697,500	103.93	31,492,500	103.25
Total U. S. companies	13,384,634,521	78.47	13,247,528,419	77.99
Foreign government	1,132,679,684	50.53	1,110,611,410	49.28
Foreign companies	699,411,026	80.76	680,632,629	78.51
All listed bonds	58,140,382,211	95.97	57,584,410,504	95.13

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1940—	Market Value $	Average Price $	1941—	Market Value $	Average Price $
Mar. 30	50,006,387,149	92.86	Apr. 30	52,518,036,554	94.32
Apr. 30	49,611,937,544	92.48	May 30	52,321,710,056	94.22
May 31	46,936,861,020	87.87	June 30	53,237,234,699	94.80
June 29	47,665,777,410	90.14	July 31	53,259,696,637	95.04
July 31	48,601,638,211	90.86	Aug. 30	53,216,867,646	94.86
Aug. 31	49,238,728,732	91.33	Sept. 30	53,418,055,935	94.74
Sept. 30	49,643,200,867	92.08	Oct. 31	55,106,635,894	95.25
Oct. 31	50,438,409,964	92.84	Nov. 29	54,812,793,945	94.80
Nov. 30	50,755,887,399	93.58	Dec. 31	55,033,616,312	94.50
Dec. 31	50,831,283,315	93.84	1942—		
1941—			Jan. 31	56,261,398,371	95.24
Jan. 31	50,374,446,095	93.05	Feb. 28	57,584,410,504	95.13
Feb. 28	50,277,456,796	92.72	Mar. 31	58,140,382,211	95.97
Mar. 31	52,252,053,607	93.73			

Statutory Debt Limit As Of March 31, 1942

The Treasury Department made public on April 3 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on March 31, 1942, totaled $63,748,387,956, thus leaving the face amount of obligations which may be issued subject to the new $125,000,000,000 statutory debt limitation at $61,251,612,044. In another table in the report the Treasury indicates that from the total face amount of outstanding public debt obligations ($63,748,387,956) should be deducted $1,895,016,433 (the unearned discount on savings bonds), reducing the total to $61,853,371,523, and to this figure should be added $565,916,897, the other public debt obligations outstanding, which, however, are not subject to the debt limitation. Thus, the total gross public debt outstanding on March 31 is shown as $62,419,288,420.

The Act increasing the national debt limitation from $65,000,000,000 to $125,000,000,000 was signed by President Roosevelt on March 28, and references to its approval was noted in our April 9 issue, page 1444. The following is the Treasury's report for March 31:

STATUTORY DEBT LIMITATION AS OF MARCH 31, 1942

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act "shall not exceed in the aggregate $125,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$125,000,000,000
Outstanding as of March 31, 1942:			
Interest-bearing:			
Bonds—			
Treasury	$35,909,799,700		
*Savings (maturity value)	10,330,900,025		
Depositary	74,666,000		
Adjusted service	730,949,906		
		$47,046,315,631	
Treasury notes	12,011,388,575		
Certificates of indebtedness	2,928,700,000		
Treasury bills (matur. value)	1,652,359,000		
		16,592,447,575	
		$63,638,763,206	
Matured obligations, on which interest has ceased		109,624,750	
			63,748,387,956
Face amount of obligations issuable under above authority			$61,251,612,044

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY, MARCH 31, 1942

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		$63,748,387,956
Deduct, unearned discount on savings bonds (difference between current redemption value and maturity value)		1,895,016,433
		$61,853,371,523
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (Pre-War, etc.)	$195,990,180	
Matured oblig. on which interest has ceased	11,359,230	
Bearing no interest	358,567,487	
		565,916,897
Total gross debt outstanding as of March 31, 1942		$62,419,288,420

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $8,435,883,592.

March Steel Output Sets Record High

All previous records for total monthly output of steel ingots and castings were broken by the American steel industry during March, according to a report released April 8, by the American Iron and Steel Institute, which showed that 7,392,911 net tons of steel were produced during the month.

The March total exceeded by more than 150,000 tons the previous peak of 7,236,068 tons produced in October, 1941, and was more than 260,000 tons greater than the output of 7,124,003 tons in March of last year. In February, 1942, with three fewer working days, 6,521,056 tons were produced.

Total steel production in the first quarter of this year was 21,038,889 tons, or nearly 4% above the total of 20,276,709 tons produced in the first three months of 1941.

During the quarter-year just closed, the tonnage of steel production averaged 96.3% of the industry's capacity. In January and February, steel operations ranged between 95 and 96% of capacity, but as the quarter drew to a close the industry was operating at very near 99% of its rated capacity.

Continued inability of the industry to obtain its full requirements of raw materials, principally scrap iron and steel, coupled with the fact that mid-winter weather generally presents obstacles to most efficient operation, are among the chief reasons why steel production in the first quarter was approximately 800,000 tons below rated capacity.

Steel production during March averaged 1,668,829 tons per week, a new peak which compares with 1,630,264 tons per week in February and 1,608,127 tons per week in March of last year.

The best previous record of weekly production was 1,633,424 tons per week, established in October, 1941.

PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

Period	Estimated Production —All Companies— Total Net tons	Percent of capacity	Calculated weekly production, all companies (net tons)	Number of weeks in month
1942 †				
January	7,124,922	94.7	1,608,335	4.43
February	6,521,056	96.0	1,630,264	4.00
March	7,392,911	98.2	1,668,829	4.43
1st Quarter	21,038,889	96.3	1,635,994	12.86
1941 †				
January	6,922,352	96.8	1,562,608	4.43
February	6,230,354	96.5	1,557,589	4.00
March	7,124,003	99.6	1,608,127	4.43
1st Quarter	20,276,709	97.7	1,576,727	12.86
April	6,754,179	97.6	1,574,401	4.29
May	7,044,565	98.5	1,590,195	4.43
June	6,792,751	98.1	1,583,392	4.29
2nd Quarter	20,591,495	98.1	1,582,744	13.01
1st 6 months	40,868,204	97.9	1,579,753	25.87
July	6,812,224	93.3	1,541,227	4.42
August	6,997,496	95.6	1,579,570	4.43
September	6,811,754	96.3	1,591,531	4.28
3rd Quarter	20,621,474	95.1	1,570,562	13.13
9 months	61,489,678	96.9	1,576,658	39.00
October	7,236,068	98.9	1,633,424	4.43
November	6,960,885	98.2	1,622,584	4.29
December	7,150,315	97.9	1,617,718	4.42
4th quarter	21,347,268	98.3	1,624,602	13.14
Total	82,836,946	97.3	1,588,741	52.14

†Based on Reports by Companies which in 1941 made 98.5% of the Open Hearth, 100% of the Bessemer and 87.8% of the Electric Ingot and Steel for Castings Production.

Note—The percentages of capacity operated are calculated on weekly capacities of 1,498,029 net tons open hearth, 128,911 net tons Bessemer and 71,682 net tons electric ingots and steel for castings, total 1,698,622 net tons; based on annual capacities as of Jan. 1, 1942 as follows: Open hearth 78,107,260 net tons, Bessemer 6,721,400 net tons, electric 3,737,510 net tons.

The percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Jan. 1, 1941, as follows: Open hearth 74,565,510 net tons, Bessemer 6,996,520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130,292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as follows: Open hearth, 76,079,130 net tons, Bessemer 6,793,400 net tons, Electric 3,272,370 net tons.

WPB Bars Non-Essential Building Construction—Materials To Be Diverted To War Purposes

The War Production Board on April 8 halted all new non-essential building construction in a move designed to save material and equipment needed in the war effort. Effective immediately, the WPB order provides that no construction may be started without Government permission and puts all new publicly and privately financed construction under strict control. The order stipulates that no residential construction except for maintenance and repair work may be started without permission if its estimated cost is $500 or more. Similiarly, no new agricultural construction will be permitted if the estimated cost is $1,000 or more for the particular building or project involved. The order states:

> No other construction, including commercial, industrial, recreational, institutional, highway, roadway, sub-surface and utilities construction, whether publicly or privately financed, may be initiated without permission if the cost of the project amounts to $5,000 or more.

Specific types of construction exempt from the provisions of the order are:

1. Projects which will be the property of the Army, Navy, Coast Guard, Maritime Commission and certain other listed agencies of the Federal Government.

2. Projects to reconstruct or restore residential property damaged or destroyed on or after Jan. 1, 1942, by fire, flood, tornado, earthquake or the public enemy.

3. Projects of the type restricted or controlled by provisions of previous orders covering the production and distribution of petroleum.

J. S. Knowlson, Chief of the WPB Division of Industry Operations, in a statement accompanying the order, said:

> It is in the national interest that all construction which is not essential, directly or indirectly, to the successful prosecution of the war, and which involves the use of labor, material or equipment urgently needed in the war effort, be deferred for the duration.
>
> Although the order applies only to construction not yet commenced, projects already under construction are being carefully examined by the Board on an individual basis. Such projects may be stopped if the scarce materials to be used in them can be put to more effective use in the war program.

The Board pointed out that its order does not affect ordinary maintenance and repair work to return a structure to sound working condition without a change of design.

In effect, the order denies such scarce materials as iron, steel and copper for unnecessary construction, since there is not enough of these materials for both essential and non-essential use. The materials conserved by the restrictions will go into ships, planes, tanks, guns, defense housing and other essential production, the WPB explained. It is stated that no change was made in existing regulations permitting construction of residences costing up to $6,000, in defense housing critical areas specifically designated by the Government.

The facilities of the Federal Housing Administration have been made available to the WPB in the administration of the order and local offices of the FHA will receive applications for authority to start construction. It is added that on the basis of criteria established by the Director of Industry Operations of the WPB, the local officer of the FHA will decide whether or not the project is eligible for recommendation to the WPB. If the project is deemed eligible, the application will be forwarded by the FHA to the administrator of the order for final consideration.

President Praises CCC For Aiding War Effort

On the occasion of the ninth anniversary of the Civilian Conservation Corps, President Roosevelt said in a statement made public April 3 that "there is a real place for the CCC during this emergency." In a congratulatory letter to James J. McEntee, CCC Director, who released the communication, the President noted that the corps is concentrating its activities on work contributing to the war effort.

A proposal is now before the Senate Labor Committee seeking to abolish the CCC.

Mr. Roosevelt's letter follows in part:

> In recent months the corps has concentrated its normal work activities on types of work which contribute most to our all-out war effort. More than 20,000 enrollees are aiding the War Department by working on military reservations. Thousands of others are on the forest fire-protection front lines.
>
> There is a real place for the CCC during this emergency and it will be called upon more and more to perform tasks which will strengthen our country and aid in the successful operation of the war. Many of the young men now in the camps will enter the nation's armed forces. When that time comes they will be better prepared to serve their country because of the discipline, the training and the physical hardihood they have gained in the Civilian Conservation Corps.
>
> Let me congratulate you on the fine job you are doing.

Fertilizer Ass'n Price Index Sets New High

The weekly wholesale commodity price index compiled by the National Fertilizer Association, which was made public April 13, rose last week to the highest point ever recorded by it. In the week ended April 11, 1942, this index advanced to 126.8 from 125.9 in the preceding week. It was 123.7 a month ago and 104.2 a year ago, based on the 1935-1939 average as 100. The index is now 0.1% above the 1929 high point and is currently 21.7% higher than during the corresponding week of 1941.

The upward movement of the all-commodity index was chiefly the result of a marked advance in foodstuff prices combined with more moderate rises in farm products and textiles. The index of industrial commodities remained unchanged. The food price index jumped to higher levels as nine important items included in the group advanced; the price of chickens was negligibly lower. Rising prices for raw cotton and livestock were responsible for the increase in the farm product average. The only other group index to register a substantial gain was the textile index, reflecting further rises in cotton, cotton goods, and wool. A fractional increase was recorded by the building material average. The indexes of fertilizer materials and miscellaneous commodities fell off slightly.

During the week 28 price series included in the index advanced and eight declined; in the preceding week there were 25 advances and 11 declines; in the second preceding week there were 29 advances and 10 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week Apr. 11 1942	Preceding Week Apr. 4 1942	Month Ago Mar. 7 1942	Year Ago Apr. 12 1941
25.3	Foods	125.6	122.4	122.3	98.4
	Fats and Oils	137.3	136.8	136.0	96.0
	Cottonseed Oil	159.0	159.0	159.0	99.7
23.0	Farm Products	138.7	137.3r	133.4	100.2
	Cotton	194.5	193.2	183.6	105.5
	Grains	115.3	115.9r	119.2	91.5
	Livestock	133.8	131.8	126.8	100.5
17.3	Fuels	117.4	117.4	113.3	102.2
10.8	Miscellaneous commodities	128.0	128.1	127.1	113.9
8.2	Textiles	149.7	149.0	146.8r	119.8
7.1	Metals	104.4	104.4	104.4	103.4
6.1	Building materials	140.0	139.9	135.0	118.0
1.3	Chemicals and drugs	120.3	120.3	120.3	104.3
.3	Fertilizer materials	118.7	118.8	118.9	106.9
.3	Fertilizers	115.3	115.3	115.3	102.0
.3	Farm machinery	104.1	104.1	103.8	99.8
100.0	All groups combined	126.8	125.9r	123.7r	104.2

r Revised. *Indexes on 1926-1928 base were: April 11, 1942, 98.8; April 4, 1942, 98.1; April 12, 1941, 81.2.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus
Apr. 14	118.18	106.92	116.41	113.70	107.62	92,06	96.85	110.70	113.89
13	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.70	114.08
11	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
9	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
8	118.11	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
7	118.11	106.92	116.41	113.70	107.62	92.50	97.16	110.70	114.08
6	118.17	106.92	116.22	113.70	107.62	92.20	97.16	110.52	113.89
4	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.52	114.08
3	STOCK EXCHANGE CLOSED								
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
1	118.03	106.92	116.22	113.70	107.62	92.20	97.00	110.52	113.89
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
20	117.80	106.21	115.63	113.12	107.09	91.34	96.85	109.79	112.93
13	117.33	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.75
6	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.27	106.92	116.61	114.08	107.98	92.50	97.47	110.88	114.08
Low 1942	115.90	106.04	115.43	112.93	107.09	90.63	95.92	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
Apr. 14, 1941	117.48	105.69	116.22	112.19	106.04	90.91	96.54	109.79	111.81
2 Years ago									
Apr. 13, 1940	116.54	103.47	116.61	113.12	102.46	85.46	91.05	108.52	112.19

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus
Apr. 14	3.34	2.83	2.97	3.30	4.27	3.95	3.13	2.96
13	3.34	2.83	2.97	3.30	4.26	3.94	3.13	2.95
11	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
9	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
8	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
7	3.34	2.83	2.97	3.30	4.24	3.93	3.13	2.95
6	3.34	2.84	2.97	3.30	4.26	3.93	3.14	2.96
4	3.34	2.83	2.97	3.30	4.26	3.94	3.14	2.95
3	STOCK EXCHANGE CLOSED							
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
1	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.96
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
20	3.38	2.87	3.00	3.33	4.32	3.95	3.18	3.01
13	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.02
6	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
20	3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.88	3.01	3.33	4.37	4.01	3.19	3.02
Low 1942	3.34	2.82	2.95	3.28	4.24	3.91	3.12	2.95
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago								
Apr. 14, 1941	3.41	2.84	3.05	3.39	4.35	3.97	3.18	3.07
2 Years ago								
Apr. 13, 1940	3.54	2.82	3.00	3.60	4.75	4.34	3.25	3.05

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Savs.-Loan Ass'ns Strong

Savings and loan associations carrying insurance of their investors' accounts entered the war period with greatly augmented resources, according to a report made April 4 by Oscar R. Kreutz, General Manager of the Federal Savings & Loan Insurance Corporation. Investments of the public held by these institutions rose 16% during 1941, Mr. Kreutz said, while their volume of outstanding home mortgages increased at about the same rate. Institutions in the district of the Federal Home Loan Bank of Winston-Salem, embracing the District of Columbia and southeastern seaboard states, led the country with an increase in investments of 28%.

During 1941 the number of insured thrift and home-financing institutions mounted from 2,276 to 2,343, while their combined assets increased $430,011,000 to a total of $3,361,792,000, according to Mr. Kreutz. He also stated:

> During 1941, insured savings and loan institutions made loans amounting to $882,938,000, a gain of $138,350,000, or 18.6% over the previous year. January loans totaled $49,549,000, a decline of 5% from the figure for the previous January. This decline was largely due to the restrictions on construction in non-defense areas.
>
> More than 3,300,000 investors in thrift and home-financing institutions now are protected against loss of their savings up to $5,000 each through the Federal Savings & Loan Insurance Corporation.

President Planning Broad Anti-Inflation Program

President Roosevelt disclosed on April 10 that the Administration is considering further steps to curb inflation. Although the President said that no details of the program could be discussed as yet, it is expected that an omnibus program for dealing with inflation and wartime economic problems will be presented to Congress early next week. Among the various suggestions that have been put forward for the program are wage controls, still higher taxes, a broader price ceiling, limitation of profits, more extensive rationing of scarce goods, increased restrictions on retail credit and compulsory saving through purchase of war bonds and stamps.

Price Powers Broadened

Leon Henderson, Federal Price Administrator, returned to Washington on April 8, after a three-week vacation trip to Brazil and Puerto Rico, and immediately conferred with President Roosevelt on the general price question. He also said he had presented to Mr. Roosevelt "general observations on what I would call the enthusiastic, co-operative attitude of the Brazilians toward us."

The President, following the conference issued an executive order authorizing Donald M. Nelson, Chairman of the War Production Board, to transfer to Mr. Henderson, such of his functions and authority with respect to priorities or rationing as he may deem to be necessary for the effective prosecution of the war.

Moody's Daily Commodity Index

Tuesday, April 7	233.3
Wednesday, April 8	233.6
Thursday, April 9	234.0
Friday, April 10	233.9
Saturday, April 11	233.7
Monday, April 13	233.5
Tuesday, April 14	232.5
Two weeks ago, March 31	231.6
Month ago, March 14	229.6
Year ago, April 14	187.1
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—April 9	234.0
Low—Jan. 2	220.0

Steel Production Further Limited To War Needs – Iron Ore Price Ceiling Established

New restrictions on use of steel in hundreds of consumer products are now closing with crushing force on many scores of metal working plants and are compelling more sections of industry to realize that to live they must get war work, the "Iron Age" says in its issue of today (April 16), further adding:

"While many small plants now facing shutdowns through lack of steel and other materials will not be able to fit into war production, others are fighting to get such essential business. Interest in subcontracting in soaring under the impact of the new WPB restriction and demand for information about the priority system—under which the Government controls material distribution—is growing steadily.

"For another week, demand for steel for Army, Navy, Maritime Commission and Lend-Lease use has broadened, with the emphasis on Lend-Lease. For the second quarter of 1942, Lend-Lease steel requirements will far more than double such shipments in the last three months of 1941. Much of this material, earmarked "Rush" is superimposed on the already unprecedented demand from U. S. agencies. Already competition for steel among the Big Four war consumers is reported and many steel plants this week were running solely on allocated and A-1-a and A-1-b orders. Some producers are able to go down to A-1-f but lower rated business is continually being pushed aside. The increase in the amount of steel production which represents outright allocation and orders in the A-1 series, is creating a situation under which complete allocation of ingots and semi-finished steel is likely.

"Probability of allocation of steel ingots is a threat to many non-integrated mills, since many of these units have been shipping as much as 30% of their production to non-rated customers. Some non-integrated producers hold a very high percentage of A-1-a work and are not frozen out of semi-finished supplies by any steps taken so far.

"Few days pass without some new demand for steel plates. Placing of large orders for invasion barges soon is likely to add to the difficulties of the WPB's allocation of plates. Some of these barges are already understood to be under construction in the Midwest, in a program which is bound to be helped from the viewpoint of material by the development of the cast all-welded tank.

"Illustrating the swift pace of defense plant building, more than 200,000 tons of concrete bars is yet to be placed for top priority projects. This demand will be fully on schedule, according to informed sources. Reinforcing steel awards for the week are estimated at 26,230 tons, against 37,950 tons last week. The week's new reinforcing projects dropped temporarily to 500 tons from 5,300 tons a week ago. Structural steel awards, on which details are no longer printed because of censorship regulations, are estimated at 29,585 tons against last week's lettings of 33,500 tons with new projects of 23,000 tons compared with 51,900 tons a week ago.

"After rising for five consecutive weeks, steel production in the U. S. this week declined narrowly. Output is estimated by the 'Iron Age' at 98% of capacity, a drop of one point from last week's 99% rate. The level in the comparable week of March was 96%. While the scrap supply situation is still by no means satisfactory, district reports to the 'Iron Age' indicate that the current week's loss is due primarily to routine repair work.

"With the exception of Chicago, where operations rose a half point to 105% of capacity, most of the larger steel-making areas show slight losses in ingot production. Pittsburgh and Youngstown both are down a point to 99%, and Cleveland is off 2.5 points to 93%.. Philadelphia's steel rate is unchanged at 91% while loss of four points to 104.5% was shown at Buffalo, three points to 102% at Detroit, and four points to 100% in the South Ohio area. Wheeling and Birmingham are unchanged at 83 and 99%, respectively. The Eastern seaboard gained three points to 105% and the St. Louis district dropped eight points to 95%.

"Iron ore interests still are studying the OPA's price freezing order, preparatory to submitting to Washington a record of the prices at which their term contracts and spot sales were made last year. Iron ore producers are likely to request the OPA to clarify prices of ore sales made to consumers who were in a position to transport their purchasers on their own lake ships, or who had been repaying the rail freight to the head of the lakes. Apparently the OPA overlooked arrangements of this nature in preparing the price ceiling. Meanwhile, ice in Lake Superior has been slowing down the movement of ore vessels, resulting in considerable congestion at some points."

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

April 14, 1942, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.		2.30467c.	
1940	2.30467c.	Jan. 2	2.24107c.	Apr. 16
1939	2.35367c.	Jan. 3	2.26689c.	May 16
1938	2.58414c.	Jan. 4	2.27207c.	Oct. 18
1937	2.58414c.	Mar. 9	2.32263c.	Jan. 4
1936	2.32263c.	Dec. 28	2.05200c.	Mar. 10
1935	2.07642c.	Oct. 1	2.06492c.	Jan. 8
1934	2.15367c.	Apr. 24	1.95757c.	Jan. 2
1933	1.95578c.	Oct. 3	1.75836c.	May 2
1932	1.89196c.	Jul. 5	1.83901c.	Mar. 1
1931	1.99629c.	Jan. 13	1.86586c.	Dec. 29
1930	2.25488c.	Jan. 7	1.97319c.	Dec. 9
1929	2.31773c.	May 28	2.26498c.	Oct. 29

Pig Iron

April 14, 1942, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	23.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

	High		Low	
1941	$23.61	Mar. 20	$23.45	Jan. 2
1940	$23.45	Dec. 23	$22.61	Jan. 2
1939	22.61	Sep. 19	20.61	Sep. 12
1938	23.25	Jun. 21	19.61	Jul. 6
1937	23.25	Mar. 9	20.25	Feb. 16
1936	19.74	Nov. 24	18.73	Aug. 11
1935	18.84	Nov. 5	17.83	May 14
1934	17.90	May 1	16.90	Jan. 27
1933	16.90	Dec. 5	13.56	Jan. 3
1932	14.81	Jan. 5	13.56	Dec. 6
1931	15.90	Jan. 6	14.79	Dec. 15
1930	18.21	Jan. 7	15.90	Dec. 16
1929	18.71	May 14	18.21	Dec. 17

Steel Scrap

April 14, 1942, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	19.17

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan. 7	$19.17	Apr. 10
1940	21.83	Dec. 30	16.04	Apr. 9
1939	22.50	Oct. 3	14.08	May 16
1938	15.00	Nov. 22	11.00	Jun. 7
1937	21.92	Mar. 30	12.92	Nov. 10
1936	17.75	Dec. 21	12.67	Jun. 9
1935	13.42	Dec. 10	10.33	Apr. 29
1934	13.00	Mar. 13	9.50	Sep. 25
1933	12.25	Aug. 8	6.75	Jan. 3
1932	8.50	Jan. 12	6.43	Jul. 5
1931	11.33	Jan. 6	8.50	Dec. 29
1930	15.00	Feb. 18	11.25	Dec. 9
1929	17.58	Jan. 29	14.08	Dec. 3

The American Iron and Steel Institute on April 13 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 97.2% of capacity for the week beginning April 13, compared with 98.6% one week ago, 97.9% one month ago and 98.3% one year ago. This represents a decrease of 1.4 points, or 1.4% from the preceding week. The operating rate for the week beginning April 13 is equivalent to 1,651,100 tons of steel ingots and castings, compared to 1,674,800 tons one week ago, 1,663,000 tons one month ago, and 1,586,500 tons one year ago. Weekly indicated rates of steel operations since March 31, 1941, follow:

1941—		Jly 14	95.2%	Oct 20	97.8%	1942—	
Apr 14	98.3%	Jly 21	96.0%	Oct 27	99.9%	Jan 19	95.0%
Apr 21	96.0%	Jly 28	97.6%	Nov 3	98.2%	Jan 26	94.6%
Apr 28	94.3%	Aug 4	96.3%	Nov 10	96.6%	Feb 2	95.0%
May 5	96.8%	Aug 11	95.6%	Nov 17	97.0%	Feb 9	95.5%
May 12	99.2%	Aug 18	96.2%	Nov 24	95.9%	Feb 16	96.2%
May 19	99.9%	Aug 25	96.5%	Dec 1	97.6%	Feb 23	96.3%
May 26	98.6%	Sep 2	96.3%	Dec 8	97.5%	Mar 2	97.2%
Jun 2	99.2%	Sep 8	96.9%	Dec 15	97.9%	Mar 9	97.4%
Jun 9	96.6%	Sep 15	96.1%	Dec 22	93.4%	Mar 16	97.9%
Jun 16	99.0%	Sep 22	96.8%	Dec 29	96.1%	Mar 23	99.0%
Jun 23	99.9%	Sep 29	96.9%	1942—		Mar 30	98.8%
Jun 30	91.8%	Oct 6	98.1%	Jan 5	93.8%	Apr 6	98.6%
Jly 7	94.9%	Oct 13	98.4%	Jan 12	95.1%	Apr 13	97.2%

"Steel" of Cleveland, in its summary of the iron and steel markets on April 13 stated:

With virtually every unit of the steel industry exceeding all previous production figures War Production Board is putting further limits on uses outside the war effort, to conserve every ton for most needed use.

At the end of May production of nearly all classes of durable consumer goods will be halted, all but essential construction work stopped and control over all steel in consumer inventories will be complete. By these means the present tremendous outpouring of steel will be utilized for the nation's main purpose, defeat of the nations at war with us.

Cutting off supply of steel for all but war purposes will have little effect on steelmakers as they have been unable for some time to promise deliveries on orders in lower priority brackets and requirements for the general run of durable consumer goods have not been given consideration.

Most producers of plates, sheets, shapes and bars can promise nothing definite below A-1 preference, with priority going back to the ingot. Some producers can do little better on pipe, wire and some other products which until recently could be supplied at lower ratings without difficulty.

Producers with bessemer facilities are able to make better promises than on open-hearth steel. This is true in certain types of merchant pipe, tie plates and bars, but as more products are diverted to bessemer steel these deliveries are tightening.

Mills are confronted with a heavy volume of high-priority orders onto which are superposed many direct allocations, which force frequent revision of rolling schedules. One important producer has notified customers that no orders can be accepted under A-2 rating. Another producer has been able to ship some A-3 tonnage recently.

Considerable canceling is being done, mainly of tonnages placed long ago, with no possibility of being reached. In spite of these orders being removed from mill books backlogs increase steadily as orders exceed shipments.

Steelmaking operations last week advanced ½ point to 98½% as small gains were made in half the districts. Cincinnati advanced 4 points to 96%, Detroit 4 points to 92, St. Louis 6 points to 93, eastern Pennsylvania 2 points to 92, New England 10 points to 90 and Buffalo ½ point to 93½. Chicago receded ½ point to 104% and Youngstown 2 points to 92. Rates were unchanged at Birmingham, 95; Cleveland, 90½; Pittsburgh 96; and Wheeling 82½.

March production of steel ingots and castings reached the highest mark ever attained by the industry, 7,392,911 net tons, more than 150,000 tons above the previous record, made in October, last year, and more than 260,000 tons above the output of March, 1941. First quarter production was 21,038,889 tons, which is nearly 4% more than was made in the corresponding quarter last year. As a parallel to this achievement United States Steel Corp. subsidiaries established all-time production records of almost 2,000,000 tons of blast furnace products and nearly 2,600,000 tons of steel ingots and castings; its steel plate production of 300,000 tons for the month is also a record.

Scrap supplies continue to improve and while steelmakers still work on narrow margin they are able to put in service some of the idle capacity which has kept down steel production the past few months. No reserves are being accumulated, all receipts being melted at once. Shortages occur in some areas and not all open hearths are able to operate. Collections from remote sources and dormant supplies, combined with continuous flow from wrecked automobiles, contribute most largely to the increased tonnage. Supplies from the upper lakes are expected to start moving within a short time in sufficient volume to give further aid.

Ceiling has been set by Office of Price Administration on Lake Superior iron ore prices at the level in effect for the 1941 season, $4.45 per gross ton, lower lake ports, for Mesabi non-bessemer, the base grade. The order provides that on special contracts no prices shall exceed those of last year on similar contracts, nullifying "escalator" clauses and providing a formula for mines idle last year. Further study is to be made of captive ore prices, leading to such action as may be considered appropriate.

Composite steel and iron prices are steady, subject to OPA ceilings. Finished steel composite is $56.73, semi-finished steel $36, steelmaking pig iron $23.05 and steelmaking scrap $19.17.

Marshall and Hopkins In London On Mission

Gen. George C. Marshall, United States Army Chief of Staff, and Harry L. Hopkins, Chairman of the United States Munitions Assignment Board, arrived in London on April 8 on a special mission and immediately conferred with Prime Minister Winston Churchill. General Marshall said that the purpose of the American forces in Europe was to "expand," and Mr. Hopkins said that President Roosevelt had entrusted him with some confidential matters on which to confer with Mr. Churchill, the Associated Press reported from London. Gen. Marshall is also quoted as saying that the purpose of his mission is "to see the development of the British forces here in the British Isles and to talk things over in general with the British Chief of Staff."

Both men conferred on April 9 and 10 with leaders of Britain's Army, Navy and Air Force and with members of the War Cabinet. They were aslo said to be in touch with Prime Minister Churchill. Mr. Hopkins on April 13 held a conference with Ivan Maisky, Russian Ambassador to Britain, and also talked with Sir Earle Page, special Australian envoy to Britain.

Electric Output For Week Ended April 11, 1942 Shows 14.3% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 11, 1942, was 3,320,858,000 kwh., which compares with 2,905,581,000 kwh. in the corresponding period in 1941, a gain of 14.3%. The output for the week ended April 4, 1942, was estimated to be a 3,348,608,000 kwh., an increase of 13.1% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	Apr. 11, '42	April 4, '42	Mar. 28, '42	Mar. 21, '42
New England	12.4	9.3	9.8	10.4
Middle Atlantic	9.7	9.0	8.4	9.2
Central Industrial	12.3	10.2	10.1	11.0
West Central	8.8	11.5	12.4	12.7
Southern States	18.6	14.8	11.7	10.9
Rocky Mountain	7.7	13.3	13.6	13.4
Pacific Coast	26.4	28.3	28.8	27.2
Total United States	14.3	13.1	12.4	12.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Jan. 3	3,288,685	2,845,727	+15.6	2,558,180	1,619,265	1,542,000
Jan. 10	3,472,579	3,002,454	+15.7	2,688,380	1,602,482	1,733,810
Jan. 17	3,450,468	3,012,638	+14.5	2,673,823	1,598,201	1,736,729
Jan. 24	3,440,163	2,996,155	+14.8	2,660,962	1,588,967	1,717,315
Jan. 31	3,468,193	2,994,047	+15.8	2,632,555	1,588,853	1,728,203
Feb. 7	3,474,638	2,989,392	+16.2	2,616,111	1,578,817	1,726,161
Feb. 14	3,421,639	2,976,478	+15.0	2,564,670	1,545,459	1,718,304
Feb. 21	3,423,589	2,985,585	+14.7	2,546,816	1,512,158	1,699,250
Feb. 28	3,409,907	2,993,253	+13.9	2,568,328	1,519,679	1,706,719
Mar. 7	3,392,121	3,004,639	+12.9	2,553,109	1,538,452	1,702,570
Mar. 14	3,357,444	2,983,591	+12.5	2,550,000	1,537,747	1,687,229
Mar 21	3,357,032	2,983,048	+12.5	2,508,321	1,514,553	1,687,229
Mar. 28	3,345,502	2,975,407	+12.4	2,524,066	1,480,208	1,679,589
Apr. 4	3,348,608	2,959,646	+13.1	2,493,690	1,465,076	1,663,291
Apr. 11	3,320,858	2,905,581	+14.3	2,529,908	1,480,738	1,696,543
Apr. 18	------	2,897,307	----	2,528,868	1,469,810	1,709,331
Apr. 25	------	2,950,448	----	2,499,060	1,454,505	1,699,822

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	% Change 1941 over 1940	1939	1938	1937
January	13,219,304	11,683,430	+13.1	10,183,400	9,290,754	9,787,901
February	11,894,905	10,589,428	+12.3	9,256,313	8,396,231	8,911,125
March	12,965,158	10,974,335	+18.1	10,121,459	9,110,808	9,886,443
April	12,556,430	10,705,682	+17.3	9,525,317	8,607,031	9,573,698
May	13,216,962	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,187,225	11,026,943	+19.6	10,068,845	8,832,736	9,773,908
July	13,837,916	11,616,238	+19.1	10,183,255	9,170,375	10,036,410
August	14,118,976	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	13,915,353	11,484,529	+21.2	10,653,197	9,486,866	9,908,314
October	14,765,945	12,474,727	+18.4	11,289,617	9,844,519	10,065,805
November	13,988,934	12,213,543	+14.5	11,087,866	9,892,195	9,506,495
December	15,095,452	12,842,218	+17.5	11,476,294	10,372,602	9,717,471
Total for year	162,762,560	138,653,997	+17.4	124,502,309	111,557,727	117,141,591

Jones Denies Delay In Synthetic Rubber Program—Reports Large Output Planned

Secretary of Commerce Jesse Jones on April 7 denied before the Senate Defense Investigating Committee that there has been delay in developing the government's synthetic rubber program. Replying to earlier testimony by William L. Batt, Chief of the War Production Board's raw materials division, that the Secretary had overruled in 1940 a recommendation of the National Defense Advisory Commission for a 100,000-ton program, Mr. Jones asserted that the program had been adopted "in principle" and later carried out.

He also declared that the United States has a stock pile of about 700,000 tons of natural rubber and that its synthetic production will probably approach 300,000 tons in 1943 and 700,000 tons in 1944. However, Mr. Jones added, that even with this production it is questionable whether civilians would get rubber for tires, since the United States, in addition to supplying its own war effort, must supply many of the United Nations. He also pointed out that synthetic production in 1942 will be only between 25,000 and 40,000 tons.

With regard to his testimony, Associated Press Washington advices stated:

> Mr. Jones said that if "we will be a little careful during the next two years we will have a good deal of rubber" but that "if the war continues and we have got to keep giving rubber to other countries and have to continue using it for our own war effort we won't have a great deal for private use."
>
> Some rubber, he said, was continuing to come in from Ceylon, Africa and elsewhere and "we are making extraordinary efforts to get rubber from Central and South America."
>
> However, he said, the United Nations were dependent on the United States for supplies of synthetic rubber because they lacked raw materials for making it and it was cheaper to ship them the finished product than to supply them with the more bulky raw materials.

When the Commission's recommendations were turned over to the Reconstruction Finance Corporation in the fall of 1940, Mr. Jones said, there were many unsolved problems to be met, but by May 19, 1941, contracts were entered into for plants with a total capacity of 60,000 tons annually.

In addition, he said, the Du Pont company is completing at Louisville a neoprene plant with a capacity of 10,000 tons, and the Government is now buying the plant.

Du Pont, he testified, has another plant at Deepwater, N. J., with a capacity of approximately 10,000 tons, and the Goodrich Rubber Co. has a plant at Akron with a capacity of approximately 10,000 tons.

"Some of the other companies are making small amounts," he said, "so that the recommendations of Messrs. Batt and Stettinius (E. R. Stettinius, Jr., formerly of the Defense Commission) were met."

Mr. Jones said that until he read Mr. Batt's testimony, he had thought the RFC was following the recommendations of the commission in the synthetic rubber program.

"Not only," he said, "did the RFC undertake to provide experimental manufacturing facilities recommended by Mr. Stettinius, but we have a much better stock-pile of natural rubber on hand than it was contemplated we would have when Mr. Stettinius wrote the President Sept. 12, 1940.

In written replies to questions submitted by the committee in advance of the hearing, Mr. Jones said that "the patent situation naturally prolonged the negotiations" and that "only recently was a satisfactory solution worked out for the pooling of all patents."

"Were the Dutch and British reluctant to release stocks and raise percentages of the base quotas (before Dec. 7), and why?" Mr. Jones was asked.

"I could not say they were reluctant to release stocks sufficient to provide the United States with a reasonable stockpile," he replied, "but apparently they did not want the quotas increased to such an extent that the postwar market would be seriously affected."

The British and Dutch, he said, did not believe the supply would be cut off, and when Singapore fell, Great Britain had only about 100,000 tons, or less, on hand.

Mr. Batt's testimony was referred to in our issue of April 2, page 1348.

Lumber Movement—Week Ended April 4, 1942

Lumber production during the week ended April 4, 1942, was 1% less than the previous week, shipments were 7% greater, new business 2% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 20% above production; new orders 35% above production. Compared with the corresponding week of 1941, production was 3% less, shipments 9% greater, and new business 22% greater. The industry stood at 134% of the average of production in the corresponding week of 1935-39 and 158% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the first 13 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 4% above the shipments, and new orders 6% above the orders of the 1941 period. For the 13 weeks of 1942, new business was 25% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 51% on April 4, 1942, compared with 38% a year ago. Unfilled orders were 20% greater than a year ago; gross stocks were 11% less.

Softwoods and Hardwoods

Record for the current week ended April 4, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1942 Week	1941 Week	1942 Previous Wk (Rev.)
Mills	465	465	482
Production	235,245	243,283	238,061
Shipments	281,775	258,459	263,794
Orders	316,504	260,418	323,155

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	377		102	
Production	222,644	100%	12,601	100%
Shipments	268,756	121	13,019	103
Orders	305,457	137	11,047	88

On WPB Planning Board

Appointment of Edward T. Dickinson, Jr., as Executive Director of the Planning Committee of the War Production Board, was announced on April 1 by Robert R. Nathan, Chairman of the Committee.

Prior to his appointment, Mr. Dickinson was research assistant to Irving S. Olds, Chairman of the Board of the United States Steel Corp., specializing in national defense problems. Before becoming associated with the Steel Corporation he was Trust Auditor for the Brooklyn Trust Co. and Special Agent of the Fidelity and Casualty Co., New York City.

Items About Banks, Trust Companies

The National City Bank of New York reported as of Mar. 31 total resources of $3,170,716,166 and total deposits of $2,963,805,853. These figures compare respectively with $3,082,860,582 and $2,878,821,222 at the end of 1941. Cash and due from banks and bankers was $1,035,342,978, an increase of $50,181,914 from three months ago; United States Government obligations (direct or fully guaranteed) total $1,168,886,949, an increase of $31,343,422, and loans, discounts and bankers' acceptances amount to $630,085,109, an increase of $11,274,536. The bank's capital and surplus remain unchanged from the year-end at $77,500,000 each, but undivided profits at $18,446,536 shows an increase of $555,443 over the Dec. 31, 1941, figure.

Manufacturers Trust Co., New York City, has drawn by lot 14,662 shares of convertible preferred stock for redemption on May 12, at $51 per share, plus the accumulated dividend of 15c. per share from April 16 to the date of redemption. Notice of the redemption has been mailed to those whose shares have been selected and copies of the certificate numbers for the shares drawn are available at the office of the company.

George Rowland Collins, Associate Dean of the School of Commerce, Accounts and Finance of New York University for the past 11 years, was on April 8 elected a member of the board of directors of The National Safety Bank and Trust Company of New York. Professor Collins has been associated with New York University since 1920, and joined the staff of the School of Commerce as an Instructor in Marketing in 1921. He became Assistant Dean in 1927 and Associate Dean in 1931. He is a member of the American Academy of Social and Political Science, American Economic Association, American Marketing Society, American Management Association and many other professional societies. He has written numerous books on various business subjects and is a regular contributor to educational, technical and trade magazines. He is well known as a speaker on taxation, marketing and distribution problems, etc.

Charles Richter is Chairman of the Board of The National Safety Bank and Trust Company and Max J. Schneider is President. The bank has just completed extensive alterations in its main office at Broadway and 38th Street. The bank has current resources of approximately $30,000,000. It claims the distinction of being the first institution in America to introduce "pay-as-you-go," no minimum balance checking account service. This department of the bank's activities has been in operation since 1935 and is known as the CheckMaster Plan. Three branch offices are maintained at Seventh Avenue and 27th Street, 174th Street and Boston Road and 167th Street and Jerome Avenue.

The New York Agency of the Bank of London & South America Limited, now located at 55 Cedar Street, has received permission from the State Banking Department to move to 34 Wall Street after April 20.

The Bank of Westchester, Yonkers, N. Y., has been admitted to membership in the Federal Reserve System, it was announced on April 2 by the New York Reserve Bank. This bank, formed through the consolidation of the Yonkers National Bank and Trust Co. and the Trust Co. of Larchmont, has assets of over $14,000,000. William F. Bleakley is Chairman of the bank and Henry F. Freund is President.

The admission of the Prattsburg State Bank, Prattsburg, N. Y., to membership in the Federal Reserve System was announced on April 10 by the New York Federal Reserve Bank. The bank has assets of about $675,000. W. C. McConnell is President of the institution.

Lester R. Stork, Cashier of Baldwins Bank of Penn Yan (N. Y.), has been elected President of the bank to succeed the late A. Flag Robson, who had served as President for 29 years, according to Penn Yan advices to the Rochester (N. Y.) "Times Union," which also states that Clarence R. Andrews was elected Vice-President of the bank, Kenneth Alexander Cashier and Morris Burke Assistant Cashier. John C. Fox was named Chairman of the Board of Directors.

The First National Bank of Boston, in its statement of condition as of Mar. 31, reports total resources of $955,049,453 and total deposits of $845,372,703, which compares, respectively, with $927,193,277 and $818,621,656 at the end of 1941. Cash and due from banks amounts to $398,491,420 at the latest date, as against $375,609,405 on Dec. 31; United States Government obligations to $162,532,887, as compared with $166,022,918; and loans and discounts to $325,912,797, against $322,292,153. The bank's capital and surplus are unchanged from three months ago, listed at $27,812,500 and $39,187,500, respectively, but undivided profits are now given as $16.417,897, compared with $16,353,884.

Ernest B. Dane, President of the Brookline Trust Co., Brookline, Mass., died on April 5 at his summer home at Center Harbor, N. H. He was 73 years old. Mr. Dane had been head of the trust company since 1913 and had been a director since 1905. He was prominent in Boston business and a leader in many charitable and philanthropic interests. From the Boston "Herald" of April 6 the following is taken:

> His business and banking career began soon after his graduation from Harvard University in the class of 1892.
>
> He was President, Treasurer and a Trustee of the Boston Symphony, Inc., and President of the Earnshaw Knitting Co. of Watertown. He was a Director of the Boston Safe Deposit and Trust Co., Earnshaw Publications, Inc., Greater Boston Community Fund, John Hancock Mutual Life Insurance Co., Northern Texas Electric Co., and the Tampa Electric Co. Mr. Dane became a Director of the Brookline Trust Co. about 1905 and subsequently became its President. He was a Trustee of the New England Conservatory of Music and the Provident Institution for Savings.

Without ceremony, because of the war, the Peoples-Pittsburgh Trust Company, oldest trust company in Pittsburgh, Pa., observed its 75th anniversary on Saturday, April 11. Regarding the lack of celebration usual to such occasions, Mr. Gwilym A. Price, President of the bank, said:

> Our institution, like all other American business enterprises. is giving all its thought and energy to problems of the present, rather than to commemoration of the past. In every way we know, we are doing all we can to help in our country's war effort.

Established as the Safe Deposit Company of Pittsburgh in 1867, the same year the Dominion of Canada was established and Alaska, then known as "Seward's Folly," was purchased from Russia for $7,200,000, the pioneer banking concern numbered among its first officers and directors, Col. William Phillips, S. F. Von Bonnhorst, Henry Lloyd, J. D. Scully, James I. Bennett, Joseph S. Morrison, William Rea, Campbell B. Herron, Byron H. Painter and Thomas F. Clark. Incident to the anniversary the announcement also says:

> In 1903, the institution known by then as the Safe Deposit and Trust Co., acquired the stock of the Peoples Savings Bank, organized 1866 by Thomas Mellon and associates, and in 1917 the two concerns merged as one organization under the title of the Peoples Savings and Trust Co., a name which was retained until 1929 when a merger was consummated with the Pittsburgh Trust Co., and the present title, Peoples-Pittsburgh Trust Co., was adopted.
>
> From 1920 to 1931, under a program of expansion which was largely responsible for the extensive and diversified services it is able to offer today, the bank acquired controlling interest in 12 banking institutions throughout the Pittsburgh district.
>
> After 75 years of successful operation, the Peoples-Pittsburgh Trust Co. is now the fourth largest bank in Pittsburgh and operates the largest number of branches. Seven branches, in addition to the main office at Wood and Fourth, are located in the North Side, East End, Lawrenceville, Oakland, South Side, Squirrel Hill and the Terminal. Through its banking and trust departments, the bank now serves one out of every four adult persons in the Pittsburgh District and is the 81st largest banking institution in the country.

David J. Leopold, President of the First National Bank of Lebanon (Pa.) and former President of the Pennsylvania Bankers Association, died on April 7 in Lebanon. He was 74 years old. Mr. Leopold started his banking career with the First National Bank of Lebanon in 1896 as a bookkeeper and eventually advanced through the ranks. He served as head of the State Association in 1937 and 1938.

The statement of the Continental Illinois National Bank and Trust Co. of Chicago for April 4, 1942, shows deposits of $1,701,347,124 and total resources of $1,840,381,977, compared with $1,616,430,112 and $1,754,784,863, respectively, on Dec. 31, 1941. Cash and due from banks is reported in the current statement at $722,448,132, against $656,448,463; United States Government obligations, direct and fully guaranteed, at $730,752,296, compared with $724,258,159, while loans and discounts are $286,385,807, against $284,763,261. The bank's common stock and surplus are unchanged from the year-end at $50,000,000 each, but undivided profits are given as $13,794,816, as compared with $14,394,693 on Dec. 31.

R. A. Geary, Vice-President and Trust Officer of the Merchants' National Bank & Trust Co., Vicksburg, Miss., has been elected President of the institution. He succeeds T. W. McCoy, who resigned after serving 20 years in that post.

Increases in deposits, loans and total resources of the Wells Fargo Bank of San Francisco were shown by the bank's statement of condition on Apr. 4, 1942. Deposits of $327,096,841 were $12,264,587 above Apr. 4, 1941; loans and discounts at $46,973,483 were up $7,955,140; and total resources of $352,803,594 gained $12,307,844 during the year. Compared with the year-end Dec. 31, 1941, statement, deposits were down $11,817,023, while resources were $13,252,256 lower.

Investments in United States Government securities of $181,230,413 were up $3,859,936 over Apr. 4, 1941, and cash of $82,556,848 was up $9,189,514. Undivided profits amounting to $3,032,436 increased $145,641 during the year, and the amount reserved for taxes of $379,842 was nearly double the $146,625 reported last year.

The United States National Bank of Portland, Oregon, in its report to the Comptroller of Currency as of Apr. 4, 1942, shows deposits of $197,112,447.19, which it is stated tops marks set at any previous call. The bank states that the gain as of corresponding date a year ago approximates $25,000,000. Loans and discounts appear at $43,305,554.21, an increase of $5,500,000. Total resources are $209,672,920.73 as against $184,094,626.41.

The bank's officials point to a tendency for increased savings in spite of sustained purchase of War Bonds and the recent so-called excess spending for clothing and other commodities. It is added that activities in the Oregon territory evidence an ever increasing tempo in Defense operations.

The directors of the National Bank of India Limited (head office London) have declared an interim dividend for the half-year to Dec. 31, 1941, at the rate of 12% per annum, less income tax, payable April 16. This interim dividend which, together with the dividend at the rate of 16% per annum paid for the previous six months, represents a total dividend at the rate of 14% per annum for the year 1941, has been declared now, says the bank, as it will not be possible to present the bank's accounts for the year 1941 at the usual time.

OPA Will Prosecute Rationing Violation

Persons who willfully violate the rationing rules will be investigated and subjected to prosecution, Acting Price Administrator John E. Hamm, warned recently, dislosing that a comprehensive plan has been worked out by the Office of Price Administration in cooperation with the Department of Justice. Criminal penalties are provided for in the Second War Powers Act, signed on March 28 by President Roosevelt. The Act establishes a maximum penalty of $10,000 fine and imprisonment for one year for willful violation of the War Production Board's priority orders, or of rationing orders or regulations of the OPA.

Mr. Hamm had the following to say:

> Until passage of the Second War Powers Act, enforcement of the rationing program has been severely handicapped by the fact that the law provided no criminal penalties for even the most flagrant violations of rationing requirements. Dealers who had made misrepresentations to the Government of facts concerning their supplies could be prosecuted for such misrepresentation under existing statutes, but the open and notorious violator could be reached only by suit to enjoin further violations.
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> Those who connive to get more than their fair share of any rationed article are equally as guilty as those who traffic illicitly in rationed goods for profit. Public condemnation of these practices now will be supplemented by criminal prosecution.

Signing of the Second War Powers Act was reported in these columns of April 2, page 1338.

Release Silver Stock As Copper Substitute

Plans for the use of free silver stocks of the Treasury in connection with war production, whereby the release would be effected of "substantial amounts of vitally needed copper," were announced by the Treasury Department on April 7. Donald M. Nelson, War Production Chairman, in indicating at the same time that arrangements to this end had been made stated that the silver would be used for "bus bars" in electrolytic plants, and that silver will be availed of as a substitute for tin in solder and for copper in "bus bars." The Treasury said that title to the silver would remain in the Treasury; it likewise stated that the use of the silver would release 40,000 tons of copper for other war production requirements. The Treasury announcement follows:

> The Secretary of the Treasury Henry Morgenthau, Jr., announced today that the Treasury Department had been asked to work out some means for making the free silver stocks of the Treasury available for use in connection with war production and thereby release substantial amounts of vitally needed copper. The General Counsel of the Treasury, after study of the problem, has concluded that there is legal authority to lend-lease the free silver stocks of the Treasury for this purpose. The Attorney General concurs in this view.
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> Under the plan which has been approved by the President, the silver would be made available to Government-owned and privately owned plants engaged in war production, particularly aluminum and magnesium plants. Title to the silver, would remain in the Treasury. The silver would not become a part of the products of the war production plants, nor would the silver be used up. The silver would be used in the plants (where such articles as bus bars are now made of copper) so as to permit substantially all of the silver to be returned to the Treasury after the termination of the war.
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> There are at present over 1,360,000,000 ounces of free silver in the Treasury which can be used for this purpose. Its use will release more than 40,000 tons of copper for other war production requirements.

N. Y. Reserve Promotions

The Federal Reserve Bank of New York announced on March 31 the following reasignments of officers of the bank, effective April 1:

1. Harold A. Bilby, formerly Assistant General Auditor, becomes Assistant Secretary of the bank, in addition to his duties as Acting Manager, Foreign Property Control Department.
2. Donald J. Cameron, formerly Manager, Foreign Department, becomes Assistant General Auditor.
3. Felix T. Davis, formerly Manager, Check Department becomes Manager, RFC Custody Department, a newly constituted department composed of the former RFC Division of the Discount Department.
4. Horace L. Sanford, formerly Manager, Research Department and Secretary, becomes Manager, Foreign Department.
5. William F. Treiber, formerly Assistant Secretary and Assistant Counsel, becomes Secretary of the bank, and continues as Assistant Counsel.

In addition, effective April 1, Norris O. Johnson of the Research Department has been appointed an officer and is assigned as Manager, Research Department.